



## News Release

71/05

8 November 2005

### **SALT MERGER CLEARED**

The Competition Commission (CC) has formally cleared the completed acquisition by British Salt Ltd of New Cheshire Salt Works Ltd (NCSW). In its final report published today, the CC has concluded that the merger would not lead to a substantial lessening of competition in the market for pure dried vacuum (PDV) salt and compacted salt in Great Britain or the UK and the Republic of Ireland.

The CC has reached a finding different to that in the provisional findings report, published in September, after receiving new evidence which led it to expect that NCSW would have closed in the foreseeable future as a result, in particular, of recent steep increases in actual and projected energy prices.

PDV salt has a wide range of uses, notably in the food industry, whereas compacted salt is primarily used for water softening.

Inquiry Group Chairman John Bailie commented:

“Evidence we received since the provisional findings stage has shown that although NCSW’s owners had intended for some time to exit the market, it is likely that the range of issues facing the company, especially recent rises in energy prices, would have accelerated this process and forced them to close the business if the merger had not taken place. We took into consideration that the salt production process at NCSW is inherently more energy intensive, and so more expensive, than those of its UK competitors.

“The alternative to British Salt acquiring NCSW would have been for NCSW to close with its customers migrating to other companies. As such, and given the expected timing of closure in late 2006, we have concluded that the merger would not lead to a substantial lessening of competition in this market in comparison to the likely alternative.”

The CC’s final report has been published on its web site at:  
[www.competition-commission.org.uk/inquiries/ref2005/britishsalt/index.htm](http://www.competition-commission.org.uk/inquiries/ref2005/britishsalt/index.htm).

The merger was referred to the CC on 26 May 2005. The CC is required to publish its final report by 9 November 2005.

## Notes to editors

1. The Enterprise Act 2002 empowers the Office of Fair Trading to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
2. The British Salt/New Cheshire Salt Works Inquiry Group consists of five members: John Baillie (Group Chairman), John Collings, Bruce Lyons, Rob Murray and Jonathan Whiticar.
3. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
4. The publication of provisional findings gives parties a chance to present new evidence and, if that evidence is compelling enough, preliminary conclusions can be reviewed, as happened in this case.
5. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: [www.competition-commission.org.uk](http://www.competition-commission.org.uk).
6. Enquiries should be directed to Rory Taylor (email: [rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk)) on 020 7271 0242