



News Release

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CC BLOCKS BOC/INEOS MERGER

The Competition Commission (CC) has blocked the proposed acquisition by BOC Limited (BOC) of the packaged chlorine business and assets of Ineos Chlor Limited (Ineos Chlor). The principal use of packaged chlorine is by the UK water industry for water disinfection.

In its final report published today, the CC has concluded that the merger would result in a substantial lessening of competition in the markets for the distribution of packaged chlorine in cylinders and in drums in the UK. This confirms the conclusion of the [provisional findings report](#) which was published on 16 September 2008.

After carefully considering alternative remedies, including those proposed by BOC and Ineos Chlor, the CC has concluded that prohibition of the merger is an effective and proportionate remedy, and that it is a lower-cost remedy than the alternatives considered.

Diana Guy, Inquiry Group Chairman, commented:

We found that the proposed merger would reduce the number of competing distributors and would end the rivalry between BOC and Ineos Chlor, which are currently each other's closest competitors in these markets.

Our conclusion is that the merger would be anti-competitive and would lead to customers paying higher prices and having less choice than would otherwise be the case. We fully considered alternative remedies which were advanced by the parties, including one which held out the possibility of lower prices for customers than if we simply prohibited the merger. However, we were not convinced that these alternatives would be effective nor that prices would indeed be lower. These alternatives also involved risks and costs that would not arise if the merger were prohibited.

The CC's reasoning can be found in its report which is published on its website: www.competition-commission.org.uk.

Notes for editors

1. The Enterprise Act 2002 empowers the Office of Fair Trading (OFT) to refer to the CC completed or proposed mergers, either where the merger creates or enhances 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 inquiry was referred by the OFT on 29 May 2008. 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. The CC extended the deadline for publication of the final report to 7 January 2009 in order to consider complex alternative remedies proposed by the parties.
3. The BOC/Ineos inquiry group consisted of four members—Diana Guy, Alexander Johnston, Jill Hill and Professor Michael Waterson—supported by the CC's staff.
4. Further information can be obtained from the CC's website at www.competition-commission.org.uk/inquiries/current.
5. Enquiries should be directed to Rory Taylor on 020 7271 0398 (email: rory.taylor@cc.gsi.gov.uk) or Siobhan Allen on 020 7271 0242 (email: siobhan.allen@cc.gsi.gov.uk).