OFFICE OF FAIR TRADING

Anticipated acquisition by Serviced Dispense Equipment of the technical services function of Coors Brewers Limited

The OFT's decision on reference under section 33 given on 29 September 2004

Please note figures in square brackets indicate actual figures replaced by a range at the request of the parties for reasons of commercial confidentiality

PARTIES

1. **Serviced Dispense Equipment Limited (SDEL)** is a subsidiary of Serviced Dispense Equipment (Holdings) Ltd (SDEH), which is a joint venture company owned by Scottish Courage Limited, Carlsberg UK Limited, Mordaunt and Foster Ltd (controlled by Mr Mike Foster[1] and his wife) and Hallriver Ltd (controlled by Mr Nick Bryan). SDEL supplies technical services equipment and technical services relating to the dispense of draught beer, cider and wine.

2. **Innserve Ltd (Innserve)** is a newly formed technical services company, wholly owned by Mr Bryan (60 per cent) and Mr Foster (40 per cent). Innserve is currently sub-contracted to provide technical services on SDEL's behalf to Scottish Courage Limited and Carlsberg UK Limited.

3. **Coors Brewers Limited (Coors)** is a brewer and wholesaler of beer and other beverages in the UK and elsewhere. It is ultimately a subsidiary of Adolph Coors Co, a company incorporated in the USA.

4. **Scottish Courage Limited (Scotco)** is a subsidiary of Scottish & Newcastle plc (S&N). S&N, through its subsidiaries, brews beer and wholesales beer and other beverages in the UK and elsewhere.

5. **Carlsberg UK Limited (Carlsberg UK)** is a subsidiary of Carlsberg UK plc (formerly Carlsberg-Tetley plc) and ultimately Carlsberg A/S. The Carlsberg Group's core business is the production, sale and distribution of beer but it is also active in the supply of soft drinks, wines and spirits.

TRANSACTION

6. SDEL proposes to acquire the technical services function of Coors. There are three main aspects to the transaction:

   (a) Coors will acquire a minority shareholding in SDEL's holding company, SDEH.
   (b) SDEL will purchase the existing assets of Coors relating to equipment for the dispense of draught beer and cider at the premises of Coors' on-trade customers.
   (c) Under a rolling 10 year agreement, SDEL will provide the technical services equipment and technical services which Coors has undertaken to provide to Coors' on-trade customers. Provision of technical services equipment will remain with SDEL as the owner and supplier of those assets. SDEL will appoint Innserve as a sub-contractor to provide the technical services to Coors on SDEL's behalf.

7. On completion of the proposed transaction, SDEH will be jointly owned by Scotco (30 per cent), Carlsberg UK (30 per cent), Coors (30 per cent), Mordaunt & Foster (5 per cent) and Hallriver Limited (5 per cent). SDEL will own the technical services capital assets of all three brewers and will be contracted to maintain and procure the replacement of those assets. Innserve will be appointed as the exclusive service provider to undertake day to day provision of technical services work on behalf of all three brewers.

8. The parties notified the transaction by way of a merger notice dated 3 August 2004. The merger notice was withdrawn on 6 September 2004. The administrative deadline is 29 September 2004.

JURISDICTION

9. As a result of this transaction SDEL and Coors' technical services division will cease to be distinct. The OFT believes that Coors' technical services division constitutes an 'enterprise' for the purposes of section 23(1) of the Enterprise Act 2002 (the Act). The parties overlap in the supply of technical services equipment and technical services and the share of supply test in the Act is met. The OFT therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

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[1] Mr Foster is a non-executive director of Punch Taverns plc.

BACKGROUND

The Four Brewers' Initiative[2]

10. In 2001, the OFT examined the Four Brewers' Initiative (FBI) in the context of Chapter I of the Competition Act 1998 and found that it did not raise any significant competition issues.

11. The FBI sets out procedures for the installation, alteration, modification and servicing of dispense equipment, ownership of such equipment and determining who has the legal responsibilities for compliance with statutory regulations. It applies to those on-trade outlets (i.e., pubs, bars, hotels, clubs and restaurants) where an FBI member is the 'principal supplier'. [3]

12. Under the FBI, the principal supplier provides technical services equipment and technical services for itself and all other brewers that supply beer to that outlet. The FBI provides that, on a change of principal supplier, all of the generic technical services equipment owned by the outgoing supplier must be transferred to the ingoing supplier as it exists and at independently determined prices (the so-called 'must buy must sell' requirement).

Previous OFT decision

13. SDEH was created in May 2004 as a joint venture between Scotco and Carlsberg UK. Both brewers sold their existing technical services equipment (installed at the premises of on-trade customers) and their technical services divisions to SDEL in return for cash (see note 1) . The OFT examined the proposed transaction and on 24 March 2004 decided not to refer it to the Competition Commission (the 'Scotco/Carlsberg decision'). [4]

RELEVANT MARKET

14. The parties overlap in the supply of technical services equipment and technical services.

Product market

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[2] Originally the Five Brewers' Initiative. The participants in the FBI are the brewers Scotco, Carlsberg UK, Coors and Interbrew as well as HP Bulmer (now owned by S&N) and Matthew Clark (a drinks wholesaler and brand owner which is in the UK division of Constellation Brands Inc).

[3] The 'principal supplier' is either chosen by the retailer or is the brewer that supplies most of the beer to the outlet or has the greatest number of taps on the bar.

[4] The OFT's decision on the anticipated merger of the technical services divisions of Scottish Courage Limited and Carlsberg-Tetley Brewing Limited.

15. ‘Technical services equipment’ is the equipment installed at on-trade outlets for the dispense of draught beer and cider. ‘Technical services’ comprise the installation and servicing (including repair, refurbishing and removal) of technical services equipment.

16. Technical services equipment and technical services are consumed together and an on-trade outlet requires both in order to operate. However, there are several key differences between the supply of technical services equipment and technical services:

    (a) There are a number of third party suppliers of technical services whereas there are relatively few suppliers of technical services equipment. Instances of independent third parties owning technical services equipment at on-trade outlets are rare.
    (b) The fact that the parties have created two separate firms (SDEL to own equipment and Innserve to do the servicing) suggests that they view the supply of technical services equipment and technical services as separate areas of activity.
    (c) Coors, Interbrew and SDEL all contract out technical services functions (see note 2) for some of the sites where they own technical services equipment.

17. Technical services equipment and technical services are closely linked. However, there are differing aspects to competition in each which merit considering them individually.

18. The question of whether technical services equipment and technical services constitute separate product segments can be left open since it does not materially affect the competition assessment.

19. There are no close demand-side substitutes for technical services equipment and technical services. Some establishments may have the option of switching to bottled beers, however, draught beer and cider dispense equipment is considered essential for the vast majority of on-trade outlets.

20. On the supply side it might be technically feasible that suppliers of technical services equipment and technical services for soft drinks may be able to switch to equipment and servicing for beer. However, there is no evidence that switching of this type has ever occurred.

Geographic market

21. There are some regional aspects to competition in that a technical services provider needs to be relatively close to the outlets that it services. There are also a number of small regional technical services suppliers and many pubs that are not part of national chains.

22. However, both the major brewers and large pub groups operate on a national basis and the majority of pubs use one of the major brewers as their principal supplier.

23. The available evidence suggests that the relevant geographic frame of reference is therefore Great Britain; although there may be regional aspects to competition for some customers.

HORIZONTAL ISSUES

Shares of supply

24. Until recently, the provision of technical services equipment and technical services was an internal function of the major brewers. As a consequence, there are no reliable independent data on shares of supply in this area.

Technical services

25. The parties submit that the supply of technical services comprises the following categories.

    (a) *The 'captive' supply of technical services by SDEL/Innserve to Scotco, Coors and Carlsberg UK*. Using the size of this captive market, the parties estimate that SDEL/Innserve's share of supply (as sub-contractor for Scotco, Carlsberg UK and Coors) in the 'total market' for all technical services will be around [25-35] per cent (an increment of 5-15 per cent), net of amounts sub-contracted to other parties. This is based on physical attendance at outlets by SDEL/Innserve's own employees.

    (b) *The supply by brewers (including Scotco, Coors and Carlsberg UK) of technical services bundled with the supply of beer*. The parties submit that because competition in this category is governed by beer sales, the supply of services plays no part in the purchasers' decision to purchase; and the category is not affected by the transaction.

(c) *The 'open market' supply by brewers and contractors of unbundled technical services*.[5] The parties estimate that SDEL/Innserve's share of supply (as sub-contractor for Scotco, Carlsberg UK and Coors) in the open market will be around [1-10] per cent (an increment of around [1-5] per cent).

26. Third parties raised concerns that the parties' estimates[6] do not accurately reflect the actual shares of supply of SDEL/Innserve and Coors technical services function.

27. In particular, a number of third parties submitted that sub-contractors should not be regarded as independent suppliers of technical services since the technical services agreement will generally be negotiated between the retailer and brewer without the involvement of the sub-contractor. The parties argue that the allocation to sub-contractors of a separate share of supply is relevant because, amongst other things, it reflects the commercial reality that the brewers depend on the sub-contractors.

28. Several third parties suggested that because provision of technical services is linked (on a cost per barrel basis) to the volume of beer sold, then on-trade beer sales by volume represents a reasonable proxy for the parties' share of supply in technical services. On this basis, the parties' share of supply would be around 61 per cent (an increment of 21 per cent). The parties submit several reasons why beer volume is not an accurate measure, including: the supply of technical services is not co-extensive with the supply of beer; regional brewers self-supply technical services for all brands in the pubs which they own and in their free trade accounts; and certain retailers source technical services for all brands directly from a specialist provider.

29. Some third parties noted that the parties' share of supply may be even higher than 61 per cent if principal supplier status is used as a proxy. They argue that since it is mainly the four major brewers who are principal suppliers under the FBI, the parties' share of supply measured in terms of the number of outlets they service will be considerably higher than their share by volume of the beer market. The parties submit that principal supplier is not a good proxy because many of the technical services performed at an outlet are generally not performed by the principal supplier and because the measure ignores the use of sub-contractors.

Technical services equipment

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[5] The parties define the 'open market' as the supply of technical services where specific consideration is received, as opposed to the supply of technical services as part of the supply of beer where the price of the services is subsumed into the beer price.
[6] As published in the Scotco/Carlsberg decision.

30. Third parties submitted that on-trade beer sales by volume, adjusted to reflect principal brewer status, is also a reasonable proxy for shares of ownership of technical services equipment. Using the figures noted above, this would give the parties ownership of around 61 per cent or more (increment of 21 per cent) of technical services equipment.

31. The parties state that principal supplier mainly measures shares of ownership of remote coolers. On this basis, the parties estimate that they are principal supplier in around [40-50] per cent of on-trade outlets. They claim that Interbrew is principal supplier in around [5-15] per cent of on-trade outlets and regional brewers in around [10-20] per cent. In the other [20-30] per cent of outlets, they claim there is no remote cooler and the generic technical services equipment is generally owned by each of the brand suppliers to that outlet.

Conclusion on shares of supply

32. Table 1 sets out the alternative measures discussed above. Ultimately, there are no reliable independent data on shares of supply in this area. This situation is not made easier by the fact that pubs change principal supplier under the FBI regularly, so the actual number of pubs to which any firm provides technical services equipment and technical services is constantly fluctuating.

Table 1: Alternative measures of shares of supply

	Parties' estimates of shares of supply in technical services[7]	Parties' estimates of principal supplier in on-trade outlets	Share of on-trade beer sales by volume (Jun 2003- May 2004)[8]
Scotco	[10-20]%	[15-25]%	26.0%
Coors	[5-15]%	[5-15]%	21.0%
Interbrew		[5-15]%	17.0%
Carlsberg UK	[1-10]%	[5-15]%	14.0%
Diageo			6.0%
Anheuser-Busch			2.0%
Others		[35-45]%	14.0%
Total			100.0%
ScotCo + Carlsberg UK	[15-25]%	[25-35]%	40.0%
ScotCo + Carlsberg UK + Coors	[25-35]%	[40-50]%	61.0%

[7] Based on British Bar & Pub Association data.
[8] Source: AC Nielsen.

Supply of technical services equipment and technical services

33. The parties argue that there are two principal reasons why this transaction will have no adverse competitive effects.

34. First, the parties submit that the proposed transaction constitutes, in essence, an outsourcing arrangement. SDEL will act as a sub-contractor for Coors, in the same way as it acts as a sub-contractor for Scotco and Carlsberg UK.

35. In light of this, the parties argue that the transaction will result in no change to the supply of technical services to the open market[9] or the supply of equipment and services to retailers. They submit that the only effect will be that the captive market for the supply of 'sub-sub-contracted services' to brewers is increased in size. In this sense, the various share data above are said to provide a misleading picture of competition in this business.

36. Second, the parties submit that the brewers do not actively compete on the supply of technical services equipment and technical services.
37. These points are considered below.

Competition in the supply of technical services equipment and technical services

38. Traditionally, the supply of technical services equipment and technical services were not, in themselves, sectors in which the brewers actively competed. They competed to supply beer and in doing so may have been required to take on the obligations of being the principal supplier to an outlet, which involved ownership of the technical services equipment and responsibility for servicing. This was noted in the Scotco/Carlsberg decision.

39. However, the evidence in the present case suggests that the situation has evolved. A number of factors indicate that competition in the supply of technical services equipment and technical services (as among the SDEL brewers themselves, and as between those brewers and independent suppliers) does exist, and has the potential to develop further.

40. Retailers submit that the critical nature of technical services equipment and technical services to the successful operation of on-trade outlets means that the brewers compete not only through their beer brands but also through the provision of equipment and servicing.

41. Existing and potential competition in the supply of technical services is reflected in the fact that certain retailers have chosen to tender for these services separately from the supply of beer. The recent example of a pub company switching from brewer-supplied technical services to an independent supplier and back again suggests that this is an area of economic activity where brewers can and will compete for business.

42. In relation to technical services equipment, it is common ground that under the FBI, an outlet could select a brewer other than the one supplying most beer to the outlet to be the 'principal supplier' and so be responsible for provision of the equipment and servicing.

43. The parties' internal documents also recognise competition in the supply of technical services equipment and technical services. [ ] (See note 3)

44. The parties themselves state that the SDEL brewers can still compete on quality of technical services (by purchasing a higher level of service from SDEL) and on price, should a retailer require an unbundled price – although they argue that the transaction will make no material difference to this situation.

45. In light of the above, the OFT does not believe that a sector for the 'captive' provision of technical services equipment and technical services to each brewer's outlets can properly be distinguished from the more general provision of such equipment and services to the 'open' market. This is most amply illustrated by the fact that customers can switch from 'captive' supply of technical services equipment and technical services by their main beer supplier, to provision by another FBI brewer, to another brewer entirely, or to an independent service provider. The impact of the transaction on this competition is considered below.

Effect of the proposed transaction on the supply of technical services equipment and technical services

46. The parties state that the SDEL brewers will continue to be individually responsible for supply of technical services equipment and technical services and will negotiate the terms of it, either through the beer price or on an unbundled basis (where retailers so require). On this basis, the parties argue that the transaction will have no effect on retail customers.

47. While it may be true that a retailer will continue to have the choice of separately negotiating with Scotco, Carlsberg UK or Coors for the provision of equipment and services, the effect of the transaction will be to reduce the number of actual suppliers. At present, the choice of Coors as technical services provider actually

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[9] See footnote 4 above.

involves the supply of equipment and servicing by Coors' technical services division. Post-acquisition, these will be provided by SDEL and Innserve. The significance of this is outlined below.

48. At present, a retailer that uses Scotco or Carlsberg UK as its technical services provider has its equipment supplied by SDEL and servicing done by Innserve. Such a retailer currently has several alternatives for meeting its technical services requirements.

    (a) The retailer can switch to either Coors or Interbrew for the supply of their equipment, servicing or both. The 'must buy must sell' requirement in the FBI ensures that the cost of equipment from the outgoing supplier to the ingoing supplier does not act as a barrier to switching.
    (b) The retailer can engage an independent supplier to provide technical services for the equipment which remains in the ownership of SDEL. This requires the consent of the relevant parent brewer and the co-operation of SDEL to allow access to the equipment. The retailer would also need to negotiate a discount on beer sales to cover the cost of independent supply of technical services.
    (c) As well as engaging an independent supplier to do servicing, the retailer can 'self-supply' technical services equipment, either by buying existing equipment or removing it and installing their own. Both the parties and third parties note, however, that retailers generally do not wish to invest capital in technical services equipment.

    Option (a) appears to be significantly quicker and easier than options (b) and (c). The competitive constraint placed on SDEL by the technical services functions of Coors and Interbrew is greater than that provided by independent third party suppliers or self-supply.

49. Independent technical services suppliers provide some price and quality constraint. However, the evidence suggests that discounts on beer supply to retailers have not been sufficient to allow independent technical services providers to effectively compete against the technical services functions of brewers. Consequently, there is a question as to how effective a constraint they are. At present, the OFT considers that independent suppliers are not sufficiently strong to constrain an enlarged SDEL.

50. The OFT also considers that the cost and inconvenience of buying technical services equipment or removing/installing it means that self-supply is not a sufficient competitive constraint. As noted above, it is generally accepted that retailers do not wish to invest capital in technical services equipment.

51. As the second largest technical services operation on a national scale, Coors' technical services function is the most significant existing competitive constraint on SDEL. [ ]. (See note 3)

52. As noted earlier, the quality of technical services equipment and technical services is a key consideration for retailers. The transaction removes the potential for competition on quality to continue and develop between Coors' technical services function as a distinct entity from SDEL. By removing Coors' technical services function as an alternative, the transaction may stifle existing and future competition in the supply of technical services equipment and technical services.

Barriers to entry

53. In the Scotco/Carlsberg decision, the parties pointed to several actual and potential suppliers on a nationwide basis, and a large number of suppliers at a regional level. The OFT identified third parties with plans to enter the market notwithstanding the creation of SDEL.

54. Since then, no new entry has occurred and the potential entrants identified in the first transaction have abandoned their entry plans. Third parties have suggested that in the Scotco/Carlsberg decision, the majority of the firms identified by the parties as competitors are in fact sub-contractors to the major brewers or SDEL for the majority of their business.

55. Third parties argue that barriers to entry on a small scale (e.g., as a sub-contractor) may be relatively low, but barriers to entry on a sufficient scale to operate as an independent competitor to SDEL are high. In the supply of technical services equipment, this may involve the acquisition of such equipment from the current principal supplier (which may not be forthcoming or involve unrealistic prices). In the servicing sector, this may require the consent of the owner of the technical services equipment.

56. Third parties also argue that the ability of brewers to bundle the technical services function with the supply of beer may also represent a major barrier to entry. As the price of a barrel of beer includes the cost of technical services, it is difficult for the customer to identify how much they are being charged by the brewer for technical services. Furthermore, in order to make independent/self-supply viable, the customer not only needs to set up that supply arrangement, but also has to secure a discount off the barrel price from the brewer.

Buyer power

57. With a customer base characterised by several large pub groups, it is feasible that customers may be able to exercise a degree of buyer power. It is arguable that the example of a pub company moving from brewer-supplied technical services to an independent and back again demonstrates an ability to switch.

58. However, buyer power depends upon there being viable alternatives to switch to. With the removal of Coors' technical services function, this may not be the case.

59. Another alternative for retailers is to self-supply, in conjunction with an independent technical services provider. However, as noted earlier, it is generally accepted in the industry that retailers do not wish to invest capital in technical services equipment.

Efficiencies

60. The parties submit that the transaction will reduce switching costs under the FBI between Scotco, Carlsberg UK and Coors. This is consistent with the view in the Scotco/Carlsberg decision that the initial SDEL transaction would reduce switching costs between those two brewers.

61. The parties also submit that, since SDEL's focus will be the management and development of drinks dispense, this is likely to result in higher quality equipment installed, lower costs, higher standards of cellar management and improved product dispense. The parties claim that the integration of Coors' technical services function with SDEL would give rise to significant cost savings and that these cost savings will be passed on down the supply chain as a result of the market forces at play in the supply of beer.

62. The OFT does not consider the evidence provided to be sufficiently compelling to show that the postulated cost savings will arise and be passed on to a sufficient extent to customers, especially given the lack of remaining competitive constraints on the parties.

VERTICAL ISSUES

63. Third parties raised a number of vertical concerns. These are discussed below.

Coordinated effects in the supply of beer

64. It was argued that the increased vertical integration in the beer supply chain via greater transparency of technical services costs would facilitate coordinated

effects at the beer supply level. However, the OFT does not consider that the evidence in this case leads to a belief that it is or may be the case that such coordinated effects may be expected to result from the transaction.

65. First, it is not clear that there will be transparency of costs. Second, costs of technical services represent only a tiny proportion of input costs to a barrel of beer. Third, it is not clear that the transaction will increase the brewers' ability to monitor changes in beer price levels to retailers.

Foreclosure

66. Third parties submitted that the transaction may allow the SDEL brewers to foreclose the supply of beer to outlets supplied by SDEL. Since small brewers are rarely the principal supplier to an outlet, they rely on access to the technical services equipment in order to compete. Third parties argued that it may be the case that an enlarged SDEL would have the incentive to prevent, frustrate or raise the rental cost of a third party line to the pubs where they are principal supplier. However, it is already possible for this to occur under the FBI arrangements and the OFT has no evidence to suggest that it has in fact occurred, nor that the transaction will alter the incentives of the parties in this regard.

The Four Brewers Initiative

67. Third parties noted that the enlarged SDEL would represent the majority of the FBI and therefore could be in a position to force through changes to the FBI that were in their interest. For example, the parties might have the incentive to remove the 'must buy must sell' requirement and thereby lock in their current customer base. Without this provision in the FBI, increased prices for technical services would be profitable since in order to switch provider, customers would have to remove the existing technical services equipment and install their own.

68. The parties stated that the FBI does not operate by majority rule and they intend that the FBI will continue on the same terms as present. The FBI arrangements are written into the current agreements and the FBI has continuing importance in other respects (eg allocation of line rentals).

Upstream and downstream buyer power

69. Third parties raised concerns that the combined technical services divisions of the SDEL brewers would give SDEL a large share of purchasing for technical services equipment. It was argued, therefore, that it would be possible for SDEL to leverage its upstream buyer power to the detriment of its competitors, for

example by negotiating preferential or exclusive deals with suppliers or by seeking to control the supply of spare parts.

70. The parties submitted that SDEL will not have market power as a purchaser because the manufacture of technical services equipment is a large sector, which is at least Europe-wide, and includes technical services equipment for soft drinks.

71. Third parties also noted SDEL will have a large share of the procurement of downstream sub-contracted technical services from independents.

72. The parties stated that it is important to SDEL/Innserve that there remains a good supply of sub-contractors as Innserve seeks to reduce its cost base over a period of time and to accommodate seasonal technical services work.

Conclusion on vertical issues

73. The lack of recognised industry statistics or other independently verifiable information in this area makes a proper assessment of these potential competition issues particularly difficult.

74. It is not clear that the parties will have market power in the supply of beer individually therefore any vertical concerns will arise out of market power on the part of SDEL in the supply of technical services equipment and technical services. These vertical concerns can therefore be seen as additional to the horizontal concerns already discussed and may represent additional mechanisms whereby the market power of SDEL may adversely affect competition.

THIRD PARTY VIEWS

75. A large number of third parties, from all levels of the beer industry, provided comments to the OFT about this transaction. The overwhelming majority of them raised competition concerns.

ASSESSMENT

76. The parties maintain that the proposed transaction constitutes, in essence, an outsourcing arrangement. They state that no market share for the provision of technical services equipment and technical services is transferred to another party by the transaction; that no customers are affected by the transaction; and no existing market is altered by the transaction in any way except that the captive market for the supply of 'sub-sub-contracted' services to brewers is increased in size.

77. There is evidence that competition in the supply of technical services equipment and technical services does exist, and has the potential to develop further.

78. The competitive constraint placed on SDEL by the technical services functions of Coors and Interbrew is greater than that provided by independent third party suppliers or self-supply.

79. As the second largest technical services operation on a national scale, Coors' technical services function is the most significant existing competitive constraint on SDEL. The transaction removes the potential for competition (particularly on quality) to continue to develop between Coors' technical services function as a distinct entity from SDEL. By removing Coors' technical services function as an alternative, the transaction may stifle existing and future competition in the supply of technical services equipment and technical services.

80. The evidence in this case also indicates that the prospect of new entry has diminished since the Scotco/Carlsberg decision. New entrants would be hampered by the difficulty in purchasing or gaining access to installed equipment and the need for their retail customers to secure a discount on beer supply to make independent supply of technical services viable.

81. Third parties have identified a number of vertical issues that may arise as a result of the transaction. Such issues will arise out of market power on the part of SDEL at the technical services equipment and technical services level and can therefore be seen as additional to the horizontal concerns discussed.

82. Consequently, the OFT believes that it is or may be the case that the merger may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom.

DECISION

83. This merger will therefore **be referred** to the Competition Commission under section 33(1) of the Act.

NOTES

1. Correction.
2. Clarification: Coors, Interbrew and SDEL use contractors to carry out technical services work on their behalf for some of the sites where they own technical services equipment.
3. Text deleted at the request of the parties for reasons of commercial confidentiality.