



Determination No. M/04/050 of the Competition Authority, dated 8 October 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/050 – The proposed acquisition by Anglo American plc of Johnston Group plc

Introduction

1. On 8 September 2004 date the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Anglo American plc (“Anglo American”) would acquire control of Johnston Group plc (“Johnston Group”) (“the proposed acquisition”).
2. The Proposed acquisition is international and was also notified to the UK, German, Austrian, Italian and Norwegian competition authorities.

The Parties

3. Anglo American is a public company registered in the UK, with a global presence. It has diversified operations in the mining and natural resources industries, with subsidiaries and investments in gold, platinum, diamonds, coal, metals, industrial minerals, and paper & packaging products. A UK-based subsidiary of Anglo American, Tarmac Ltd, already owns 24.9% of Johnston Group. Tarmac Ltd manufactures and supplies a portfolio of “heavyside” construction materials, including aggregates, asphalt, concrete and concrete products, and cement.
4. Johnston Group is a public company registered in the UK, with two main divisions. Its Engineering Division manufactures road sweepers and litter collection vehicles, air hand dryers and washroom equipment, and fire-fighting and rescue vehicles. Its Construction Materials Division manufactures concrete products and glass-reinforced plastic pipes (for use in drainage systems) and is active in quarrying and manufacturing of aggregates and asphalt in the West Midlands area of the UK.



Analysis

5. The Target has no subsidiaries or physical presence in the State. Its total turnover in Ireland, in 2003, was €[...], mainly from the sale of road sweepers, with the remainder from the sale of glass-reinforced pipes. Johnston Group sells road sweepers in the State through a distributor and sells glass-reinforced pipes in the State from its UK operation.

6. Anglo American and Johnston Group do not overlap in any industry for goods or services in the State. Therefore the proposed acquisition would not substantially increase concentration in any industry in the State.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Anglo American plc of Johnston Group plc will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority