



Determination No. M/05/007 of the Competition Authority, dated 22nd March 2005, under Section 21 of the Competition Act, 2002

Notification No. M/05/007 – Proposed acquisition by Wavin B.V. of Hepworth Building Products (Holdings) Limited

Introduction

1. On 22nd February 2005, 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 Wavin B.V. (“Wavin”) would acquire Hepworth Building Products (Holdings) Limited (“HBP”).

The Parties

2. Wavin is incorporated in The Netherlands and is the holding company of the Wavin group of companies (“Wavin Group”). The principal activities of Wavin Group include the manufacturing and sale of pipe systems (pipes and their fittings) for building, civil and utilities purposes. The Wavin Group supplies plastic pipe systems for the following: above-ground drainage, below-ground drainage, plumbing and utilities. Wavin had a turnover in the State in 2003 of €[less than 100]m.
3. HBP is active in the manufacture and sale of pipe systems for the above mentioned sectors. HBP produces plastic pipe systems, as well as clay and concrete pipe systems. It carries on business principally in the UK. It does not have a subsidiary in Ireland, but carries on business here through a distributor, O’Brien Marketing, in Cork. HBP’s turnover in the State in 2003 was €[less than 5]m.

Analysis

4. Wavin is a strong player in this sector. Wavin estimates its revenue share in the State in relation to pipe systems as the following: above-ground drainage: [less than 30]%; below-ground drainage: [less than 40]%; plumbing: [less than 10]%; utilities: [less than 40]%. HBP estimates its revenue share in the State in relation to pipe systems as the following: above ground drainage: [less than 10]%; below-ground drainage: [less than 10]%; plumbing: [less than 20]%; utilities: [less than 10]%. Enquiries have verified that HBP does not have any significant presence in the State. Enquiries have also shown that there are a number of strong domestic manufacturers of plastic pipe systems capable of exercising a competitive constraint on the merged entity including Uponor, Cork Plastics Limited, Quality Plastics Limited and MFP Plastics. Enquiries have also indicated that there is some competitive constraint exerted by imports of plastic pipe systems. For the purposes of this notification it is not necessary to consider whether pipe systems manufactured from materials other than plastic are



The Competition Authority
An tÚdarás Iomaíochta

substitutable with plastic pipe systems since the transaction will not give rise to a substantial lessening of competition within plastic pipe systems.

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 Wavin B.V. of Hepworth Building Products (Holdings) Limited 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