



## News Release

04/05

26 January 2005

### **EMAP REQUIRED TO SELL ABI**

The Competition Commission (CC) has formally concluded that the acquisition by Emap plc (Emap) of ABI Building Data Limited (ABI), completed last year, can be expected to result in a substantial lessening of competition. As a result, Emap will be required to sell the ABI business.

The CC today publishes its final report on the inquiry, which confirms the verdict made in its provisional findings report, published in November, that the merger is likely to result in a substantial lessening of competition in the market for the supply of construction project information and contact data (PICD) in the UK.

Both Emap, through its subsidiary Glenigan, and ABI are by far the largest providers of PICD to the construction industry. PICD is used by companies in the industry to attract new business.

Following the provisional findings, the CC consulted on suitable remedies to address the outcome. Possible remedies identified were that Emap should license data to a competitor or that it should dispose of ABI. The CC has concluded that licensing of data would be insufficient to enable a new or existing company to become a genuine competitor to the merged company in the near future, whereas divestment of the ABI business, proven to be a profitable and viable enterprise, would ensure that Glenigan would continue to face an effective independent competitor.

Diana Guy, Chairman of the Inquiry Group, commented:

The merger, by effectively removing the main competitor, would have left the merged company controlling about 70 per cent of the market. Both Glenigan and ABI have been able to raise prices profitably in the past few years even whilst in active competition. It is likely that the merged company would have even more scope to do so and reduce innovation and quality improvements.

The other providers of PICD data have very small market shares in comparison and do not provide a realistic alternative for customers. The merger would therefore remove the choice for customers who are able to benefit from the competition between the two companies when negotiating prices.

After examining the options closely, we've concluded that the only effective remedy which will maintain competition and in turn benefit customers is for Emap to sell the ABI business.

The final report is available on the CC web site at [www.competition-commission.org.uk/inquiries/current/abi/index.htm](http://www.competition-commission.org.uk/inquiries/current/abi/index.htm).

The inquiry was referred by the Office of Fair Trading (OFT) on 1 July 2004.

#### **Notes for editors**

1. The Enterprise Act 2002 empowers the OFT 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 Emap/ABI inquiry group consists of four members: Diana Guy (Group Chairman), Nicholas Garthwaite, Jonathan Haskel and Richard Rawlinson.
3. Before referring the merger to the CC, the OFT accepted undertakings from Emap to maintain ABI as a separate business as far as possible. The CC adopted these undertakings and then accepted stronger ones from Emap with additional obligations to ensure that ABI would maintain its competitive potential.
4. Further information can be obtained from the CC web site at: [www.competition-commission.org.uk/inquiries/current/abi/index.htm](http://www.competition-commission.org.uk/inquiries/current/abi/index.htm).
5. Enquiries should be directed to Francis Royle, Press Officer, 020 7271 0242, or Rory Taylor on 020 7271 0488/[rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk).
6. The full text of the OFT's referral of this case can be found on the OFT web site at [www.offt.gov.uk](http://www.offt.gov.uk).