



News Release

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CC ACCEPTS EMAP UNDERTAKINGS

The Competition Commission (CC) has accepted undertakings from Emap Plc (Emap) which will ensure that the company sells the ABI Building Data Limited (ABI) business, which it acquired last year.

The CC blocked the takeover after concluding that the acquisition would result in a substantial lessening of competition in the markets 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.

The CC considered a number of possible remedies but in its final report published in January, concluded that the only effective one would be for Emap to divest the ABI business. The undertakings, therefore, commit Emap to taking the necessary steps to divest the business within a specific time period.

The CC blocked the merger as it would have left the merged company with a 70 per cent control of the market, having effectively removed the main competitor. With little in the way of realistic alternatives, customers could have faced price rises and a reduction in choice.

The full notice of undertakings is available on the CC web site: www.competition-commission.org.uk/inquiries/current/abi/index.htm.

Notes for editors

1. On 1 July 2004, the Office of Fair Trading (OFT) referred the acquisition by Emap of ABI to the CC for investigation and report.
2. 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.
3. The Emap/ABI inquiry group consists of four members: Diana Guy (Group Chairman), Nicholas Garthwaite, Jonathan Haskel and Richard Rawlinson.

4. The CC report published on 26 January 2005, which sets out the CC's conclusions on the SLC and appropriate remedies, may be found at:

www.competition-commission.org.uk/rep_pub/reports/2005/497emap.htm

5. The CC in exercise of the powers conferred by sections 41(2) and 82 of the Act, may accept undertakings for the purpose of remedying mitigating or preventing the adverse effects which may be expected to result from a substantial lessening of competition it has identified.
6. 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.
7. Enquiries should be directed to Francis Royle, Chief Press Officer, on 020 7271 0242, or Rory Taylor on 020 7271 0398/rory.taylor@competition-commission.gsi.gov.uk.