



News Release

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CC CONFIRMS CLEARANCE OF ARCHANT/INM DEAL

The Competition Commission (CC) has cleared the acquisition by Archant Ltd of the local weekly newspapers in the London region formerly owned by Independent News and Media plc (INM).

In its final report published today, the CC has concluded that the merger would not lead to a substantial lessening of competition (SLC) in the market for advertising in those areas affected by the takeover. This confirms the verdict of the provisional findings report which was published at the end of July and means that the CC has completed its investigation three weeks ahead of schedule.

The newspapers acquired by Archant (in two stages straddling the 29 December implementation date of the Communications Act 2003) cover areas of north-west, north and east London, Essex and north-west Kent—some paid for and some free.

Chairman of the inquiry group and Deputy Chairman of the CC, Peter Freeman, commented:

'After inviting responses to our provisional findings report, we've seen no reason to depart from our initial verdict. We have looked carefully at the areas affected and concluded that this merger does not give rise to significant competition concerns.

'Even in areas where Archant's market share would be at its largest, we found there was insufficient evidence to establish that Archant would have enough market power to raise prices profitably by an amount that would cause concern, either across the board or on a targeted basis.

'This result stems from our analysis of specific markets in London and would not necessarily apply to local newspaper mergers in other parts of the country.

'Although we have received arguments that we did not have jurisdiction to consider this reference—as it concerned too small a part of the UK and that the case fell under the old Fair Trading Act regime—we disagreed with both views.'

The case was referred to the CC by the OFT on 29 April this year. It was the first newspaper reference since the implementation of the Communications Act 2003 gave the OFT the

powers to look at a newspaper merger in the same way as any other relevant merger under the Enterprise Act 2002. The CC inquiry looked at the acquisition in terms of whether it could be expected to result in an SLC, rather than on wider public interest grounds.

The final report is available on the CC's web site at www.competition-commission.org.uk.

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 (see OFT Press Release PN 06/04).
2. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
3. The Communications Act 2003 gave the OFT powers to look at relevant newspaper mergers in the same way as any other relevant merger under the Enterprise Act 2002. Prior to its introduction, assessment and decisions on newspaper mergers was the responsibility of the Secretary of State for Trade and Industry.
4. The CC investigated and reported on the proposed acquisition of the same titles by Newsquest (London) Limited under the Fair Trading Act 1973 regime for newspaper mergers. Its report, *Newsquest (London) Limited and Independent News & Media PLC: a report on the proposed transfers*, The Stationery Office, Cm 5951, was published on 21 October 2003. See the DTI press release dated 21 October 2003 at www.dti.gov.uk.
5. Details on the OFT's decision to refer are available on its web site at www.of.gov.uk/Business/Mergers+EA02/Decisions/Clearances+and+referrals/Archant+Limited.htm.
6. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at www.competition-commission.org.uk.
7. Enquiries should be directed to Francis Royle on 020 7271 0242 or Rory Taylor on 020 7271 0398 rory.taylor@competition-commission.gsi.gov.uk.