

Anticipated acquisition by Ashtead Plant Hire Company Limited of Lion Trackhire Ltd

Decision on relevant merger situation and substantial lessening of competition

ME/6612/16

The CMA's decision on reference under section 33(1) of the Enterprise Act 2002 given on 25 August 2016. Full text of the decision published on 13 September 2016.

Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties for reasons of commercial confidentiality.

Contents

| | <i>Page</i> |
|------------------------------|-------------|
| SUMMARY | 1 |
| ASSESSMENT..... | 4 |
| Parties | 4 |
| Transaction | 4 |
| Jurisdiction | 4 |
| Counterfactual..... | 5 |
| Background | 5 |
| Frame of reference..... | 6 |
| Competitive assessment | 13 |
| Third party views | 27 |
| Decision | 27 |

SUMMARY

1. Ashtead Plant Hire Company Limited (**Ashtead**) has agreed to acquire Lion Trackhire Ltd (**Lion**) (the **Merger**). Ashtead and Lion are together referred to as the **Parties**.
2. The Competition and Markets Authority (**CMA**) believes that it is or may be the case that the Parties will cease to be distinct as a result of the Merger, that the share of supply test is met, and that accordingly arrangements are in

progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

3. The Parties overlap in the supply of temporary access and flooring (**TAF**) solutions¹ in Great Britain (**GB**). Ashtead supplies TAF solutions through its Eve Trakway (**Eve**) business using TAF panels made from a variety of different materials, including aluminium and plastic. Lion supplies TAF solutions using its stock of TAF panels which is made up almost entirely of aluminium panels. Neither Ashtead nor Lion is involved in the manufacture of TAF panels.
4. The CMA found that there are differences in the properties of TAF panels made from different materials and that this means that some panel types may be better suited to certain end-uses than others.
5. Aluminium panels are suitable for supporting heavy vehicles and machinery on soft, muddy and/or uneven ground. Of the other material TAF panels available, the CMA found that only '**heavy-duty plastic**' panels have similar properties and are similarly priced to aluminium panels. The CMA found that heavy-duty plastic panels are therefore close substitutes to aluminium panels and that only aluminium and heavy-duty plastic panels are suitable for the supply of '**heavy-duty TAF solutions**'.
6. The CMA found that the supply of heavy-duty TAF solutions is not characterised by local markets within the UK, and that overseas suppliers of TAF solutions are not credible alternatives for UK customers. The CMA also found that the Parties have very limited activity in Northern Ireland. The CMA therefore assessed the impact of the Merger in relation to the supply of heavy-duty TAF solutions in GB.
7. The CMA assessed whether the Merger would give rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects.
8. The CMA found that:
 - (a) the supply of heavy-duty TAF solutions is largely undifferentiated between different suppliers and an incumbent supplier has no advantages during the bidding or negotiating process for a new contract.

¹ The term 'TAF solutions', refers to the full package of services required for the supply of TAF, including site visits by engineers (incorporating job evaluation, quotation and risk assessment), transportation, installation of the TAF solution (which may be supplied using separate panels or aggregates), project management, repair and maintenance and any steps necessary to comply with health and safety regulations.

- (b) the Parties compete closely with each other for the supply of heavy-duty TAF solutions, but for the majority of customers, there will remain a significant number of alternative suppliers that compete at least as closely with the Parties post-Merger.
 - (c) Post-Merger, the Parties' five largest customers in the events sector would face a reduction from three to two, in the number of suppliers that are large enough to fulfil these customers' entire panel requirements for a given event on their own. However, the CMA found that:
 - (i) These customers will have a further alternative to being supplied by one of these two large suppliers, due to their ability to split their contracts between multiple suppliers.
 - (ii) There are a number of smaller alternative suppliers that would be able to fulfil these customers' panel requirements if the contracts are split between two or more smaller suppliers.
 - (iii) Some of these customers have indicated a willingness to split their contracts amongst a number of smaller suppliers and have done so in the past.
 - (iv) Smaller competitors may be able to further constrain the merged entity for the supply of heavy-duty TAF solutions to these customers through 'cross-hiring' (or subcontracting) TAF solutions or panels from other suppliers.
 - (v) Several smaller competitors have plans to expand their holding of heavy-duty panels within the next one or two years, which the CMA believes will exert a further constraint on the merged entity.
 - (vi) Further expansion by existing competitors is possible in the short-term given that barriers to expansion for the supply of heavy-duty TAF solutions are not significant.
9. The CMA believes that these constraints, taken together, are sufficient to ensure that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects.
10. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

Parties

11. Ashtead is active in the rental supply of a broad range of equipment to customers in the events and construction sectors. Ashtead trades under the name A-Plant in the UK. Ashtead's equipment hire business includes the supply of TAF solutions by its Eve business. The UK turnover of Eve from the supply of TAF solutions was approximately [X] in 2015.²
12. Lion is also active in the supply of TAF solutions and has no other activities. Lion's revenue in the year to 31 March 2016 was [X], of which the Parties submitted [X] was generated in the UK.

Transaction

13. Ashtead intends to acquire the entire issued share capital of Lion, pursuant to a share purchase agreement, dated 13 April 2016.
14. The Parties intend to complete the transaction as soon as practicable, subject to certain closing conditions including merger clearance by the CMA.
15. The transaction has not been notified in any other jurisdiction.

Jurisdiction

16. As a result of the Merger, the enterprises of Ashtead and Lion will cease to be distinct.
17. The Parties overlap in the supply of aluminium TAF solutions, with a combined share of capacity of [60-70]% (increment [20-30]%) of all aluminium TAF panels held in the UK. The CMA therefore believes that the share of supply test in section 23 of the Act is met.
18. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
19. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 1 July 2016 and the statutory 40 working day deadline for a

² Ashtead had a total UK turnover of £323 million in 2015, of which £289 million came from equipment rental.

decision is 25 August 2016. The Merger was considered at a Case Review Meeting.³

Counterfactual

20. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual). For anticipated mergers the CMA generally adopts the prevailing conditions of competition as the counterfactual against which to assess the impact of the merger. However, the CMA will assess the merger against an alternative counterfactual where, based on the evidence available to it, it believes that, in the absence of the merger, the prospect of these conditions continuing is not realistic, or there is a realistic prospect of a counterfactual that is more competitive than these conditions.⁴
21. In this case, there is no evidence supporting a different counterfactual, and the Parties and third parties have not put forward arguments in this respect. Therefore, the CMA believes the prevailing conditions of competition to be the relevant counterfactual.

Background

22. TAF is generally used to provide a firm surface over soft, muddy and/or uneven ground to enable pedestrians, vehicles, and equipment of various sizes and weights to access or move around a given location. TAF is typically hired specifically for use at temporary events and construction sites. The overall surface of the TAF solution is typically constructed using separable '**panels**' that are combined to form a larger temporary surface. In addition to panel solutions, TAF can also be supplied using '**aggregates**', which involves the creation of temporary roadways using crushed stone and rocks. TAF panels are made from a variety of different materials, including: aluminium, composites/plastic,⁵ steel and wood. These panels can also come in a variety of different sizes and thicknesses and different panel types will often vary in weight, load-bearing capacity in the same conditions, and the method used to connect panels together (if any).

³ See *Mergers: Guidance on the CMA's jurisdiction and procedure* (CMA2), January 2014, from paragraph 7.34.

⁴ *Merger Assessment Guidelines* (OFT1254/CC2), September 2010, from paragraph 4.3.5. The *Merger Assessment Guidelines* have been adopted by the CMA (see *Mergers: Guidance on the CMA's jurisdiction and procedure* (CMA2), January 2014, Annex D).

⁵ The Parties submitted that composite and plastic panels are sometimes considered to be distinct types of panel from each other, however in most cases the term 'composite panels' is used interchangeably with 'plastic panels'. Evidence received by the CMA from third parties also indicated that the terms plastic and composite were often used interchangeably to describe the same types of panel. The CMA has therefore considered plastic and composite panels to be part of the same group of panel material, collectively termed 'plastic panels'.

23. The term '**TAF solutions**' refers to the full package of services required for the supply of TAF, including site visits by engineers (incorporating job evaluation, quotation and risk assessment), transportation, installation and recovery of the panels or aggregates⁶, project management, repair and maintenance and any steps necessary to comply with health and safety regulations. The Parties submitted and third parties confirmed during the CMA's merger investigation, that these services are an integral part of the provision of a TAF solution and are supplied on virtually every job. '**Cross-hire**', whereby one supplier subcontracts out a section of a TAF contract for another supplier to fulfil, is a feature of the industry. This may involve the provision of either a full TAF solution or just the panels, installation crew and/or vehicles. The practice of cross-hiring panels only (and not a full solution), is referred to in the industry as '**dry-hire**'. Dry-hire is less common than the cross-hire of a full solution and all suppliers generally provide full TAF solutions as their primary service.
24. Customers who purchase TAF solutions include organisations that are active in the temporary events, construction and electricity transmission⁷ sectors. The projects and events for which different customers require TAF solutions vary in size and duration. Customers in the events sector all tend to require a TAF solution for a short period of time (with the duration of most events ranging from one day to one week). However the size of these events, and thus the number of panels required to service them varies significantly. Events are also normally held in small, contained locations, where security and/or organisational staff are present most of the time. Customers in the construction and electricity transmission sectors often require TAF solutions for long projects although the number of panels they require can vary considerably. These customers will often require a TAF solution in a remote area, where their staff are not always present.

Frame of reference

25. The CMA considers that market definition provides a framework for assessing the competitive effects of a merger and involves an element of judgment. The boundaries of the market do not determine the outcome of the analysis of the competitive effects of the merger, as it is recognised that there can be constraints on merger parties from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more

⁶ Aggregate TAF solutions are sometimes left in situ if a customer anticipates the temporary access solution will be needed again beyond the initial project or event.

⁷ Customers in the electricity transmission sector are the Transmission Operators (National Grid, Scottish Power Transmission and Scottish Hydro Electric Transmission) and their contractors. These customers use TAF solutions to gain access to their overhead electricity transmission lines, often in remote locations.

important than others. The CMA will take these factors into account in its competitive assessment.⁸

Product scope

TAF materials

26. The Parties overlap in the supply of aluminium TAF solutions. The Parties submitted that Lion's holding of panels is made up almost entirely of aluminium panels⁹ and that the majority of Eve's holding of panels is also made up of aluminium panels, although Eve also has a significant holding of wood and plastic panels.
27. As the starting point to its analysis, the CMA took the relevant product frame of reference to be the overlap between the Parties, ie the supply of aluminium TAF solutions. The CMA then considered whether the evidence available to it indicated that a wider product frame of reference would be appropriate.
28. The Parties submitted that the appropriate product frame of reference should include all TAF solutions for all customer segments. The Parties submitted that:
 - (a) Flooring of different types may be 'mixed and matched', sometimes from different suppliers.
 - (b) Customers rarely have a preference over what type of panel is used, and instead, merely seek a suitable TAF solution.¹⁰

Customer use of aluminium TAF solutions

29. The CMA found that aluminium panels held by different suppliers of TAF solutions do not vary in size or weight.
30. Customers who responded to the CMA's merger investigation said that they use aluminium TAF solutions because of their high load-bearing capacity, strength, and the surface grip they provide in wet and muddy conditions. Some customers, particularly those in the events sector, told the CMA that

⁸ [Merger Assessment Guidelines](#), paragraph 5.2.2.

⁹ The Parties submitted that Lion had a UK panel holding of [X] aluminium panels, but only [X] wooden 'bog-mats' and [X] plastic support mats.

¹⁰ The Parties also supplied bidding data which purported to show that customers regularly choose wood or aggregate TAF solutions over aluminium. However, this data was inconsistent with the views of third parties. Moreover, these solutions appeared to be limited to certain types of contracts, rather than being spread across the spectrum of customers, and [X]. Further, the CMA had concerns over the weight that could be placed on this bidding data given that it may not be comprehensive and may also reflect changes in the requirements of customers rather than instances of economic substitution.

aluminium panels are highly suitable for their needs as they are relatively light and easy to transport, which keeps transportation costs down; and that they are quick and easy to install. Customers also told the CMA that aluminium panels are effective at protecting the underlying ground and that they can be removed easily without requiring significant work to return the ground to its previous state.

31. Although customers told the CMA that aluminium panels can be used to support pedestrian use, vehicular traffic and heavy machinery, some of these customers also indicated that aluminium panels are only really required where there would be some use of heavy machinery on site, for example to support cranes that are needed to build stages.
32. The CMA investigated whether the properties identified as characteristic of aluminium panels, are also characteristic of panels made from different materials.

Plastic TAF solutions

33. The Parties submitted that plastic panels, and in particular, '**heavy-duty plastic**' panels, are substitutable for aluminium panels for all purposes. The Parties submitted that heavy-duty plastic panels have equivalent load-bearing capacities, are stored, transported, installed and removed in the same way using the same equipment, and are regularly hired by customers for the same types of project and applications as aluminium panels.¹¹
34. They also stated that on a number of occasions they have supplied a heavy-duty plastic, instead of aluminium, TAF solution (due to a lack of availability of aluminium panels), which has been accepted by the customer and resulted in no difference in the performance of the TAF solution. They provided several examples of customers that have switched from using aluminium panels to using plastic panels.
35. Evidence received by the CMA from third parties in relation to the use of plastic TAF solutions was mixed.
36. Several customers told the CMA that '**light-duty plastic**' panels do not meet all of their TAF requirements. These customers stated that light-duty plastic panels do not have sufficient load-bearing properties to support heavy plant and machinery and may only be suitable for a more limited range of applications than aluminium. For example, a few customers in the events

¹¹ The Parties submitted that heavy-duty plastic panels include the branded products: Dura-base, MegaDeck, Power Track 40, SignaRoad, TerraRoad and Tufftrak.

sector told the CMA that light-duty plastic panels are only suitable for the provision of pedestrian-only access and for supporting the load of lighter vehicles on temporary roadways that are subsidiary to the main roadways at their events.

37. Nine out of 17 customers that responded to the CMA's merger investigation indicated that they would be unlikely to respond to an increase in the relative price of aluminium of 5 to 10%, by switching to plastic panels. Customers, in particular those in the events sector, who told the CMA that they did not think plastic panels are suitable for their needs, cited reasons including the time taken to lay plastic panels and plastic's strength and appearance.
38. The CMA believes that some of these customer responses refer to the properties of plastic panels generally, rather than focusing on heavy-duty plastic panels, which have properties similar to aluminium panels.¹² The CMA also believes that some of these customers have limited or no experience of using plastic panels compared to their more extensive experience of using aluminium panels, such that they are unaware of the availability of heavy-duty plastic panels and that these panels have properties similar to aluminium panels. The CMA further notes that aluminium panels have been used to provide TAF solutions for a longer period of time than heavy-duty plastic panels.¹³
39. The CMA therefore asked these customers for further information regarding their concerns and why they did not think they would switch to plastic panels in the event of a 5 to 10% increase in price. Following these further enquiries, several customers indicated that they would be willing to consider using heavy-duty plastic panels if they met their requirements.
40. The CMA found that several of the customers who said they would not switch to plastic panels, had views on plastic panels that were not consistent with information provided by third party suppliers and manufacturers regarding the properties of plastic panels. For some of these customers, the views expressed to the CMA were also inconsistent with their stated or recorded purchasing patterns.
41. In addition, some large customers in the events sector told the CMA that they have already used heavy-duty plastic panels as alternatives for aluminium panels, and would be happy to do so again. Several other customers told the

¹² The CMA notes that the question it asked customers did not specify the different types of plastic panel that might be available eg heavy-duty or light-duty plastic. Therefore, it is possible that some customers were considering light-duty rather than heavy-duty panels when responding.

¹³ The Parties submitted that aluminium panels in their current form were introduced to the UK in 1994 to 1995. Third parties told the CMA that heavy-duty plastic panels have only be used to provide TAF solutions since around ten years ago.

CMA that heavy-duty plastic panels were suitable for their needs, including to support heavy plant and machinery, and that they could be considered substitutes for aluminium panels. Some customers identified in their responses specific brands of plastic panels which have these properties.¹⁴ Some additional customers also told the CMA that they would consider using plastic panels, if they knew these were strong enough to bear the weight of the relevant vehicles and plant.

42. The CMA also received responses from several panel manufacturers who said that there are a number of different types of plastic panels: heavy-duty plastic panels which are designed to have the same properties (ie dimensions, load-bearing capacity and weight) as aluminium panels, and some which are designed for lighter-duty uses, than those which aluminium panels are typically used for. These manufacturers told the CMA that there are also some plastic panels which are larger, heavier and have a higher load-bearing capacity than aluminium panels, [REDACTED].
43. Panel manufacturers told the CMA that the cost to TAF solution suppliers of equivalent heavy-duty plastic panels and aluminium panels is similar.¹⁵ Evidence received from these manufacturers supports the Parties' submission that certain types of plastic panel have similar characteristics to aluminium panels.
44. On the basis of the above evidence, the CMA believes that heavy-duty plastic¹⁶ TAF solutions should be included in the frame of reference with aluminium TAF solutions.

Aggregates, steel and wood TAF solutions

45. Most customers who responded to the merger investigation told the CMA that aggregates, steel and wood panels are: (i) not substitutes for aluminium panels; and/or (ii) not suitable to fulfil some or all of their TAF needs.¹⁷

¹⁴ These brands included Dura-base, Power Track 40, SignaRoad and Tufftrak.

¹⁵ One manufacturer said that its plastic panel, which is equivalent in properties to an aluminium panel, is sold to suppliers of TAF solutions for [REDACTED], whilst the typical cost to a TAF supplier of an aluminium panel varied between £700 and £900 dependent on the underlying cost of the metal required to manufacture it.

¹⁶ The CMA considers 'heavy-duty plastic' panels to be those that have a size, weight and 'buoyancy' (ie ability not to sink in wet and muddy conditions) similar or greater than aluminium panels, and are capable of bearing the weight of the machinery for which aluminium panels are used. Heavy-duty plastic panels include, but are not limited to, the following branded products: Dura-base, MegaDeck, Power Track 40, SignaRoad, TerraRoad, and Tufftrak.

¹⁷ Specifically, most customers who responded to the investigation told the CMA that steel panels are unsuitable for their needs noting that they are heavy (which in comparison with aluminium makes them impractical and more expensive to install), present trip hazards and are slippery when wet. Equally all customers who responded told the CMA that wood panels are not suitable, also noting their weight and potential slipperiness. However some customers told the CMA that wood panels can be used in situations where support for very heavy vehicles is required.

46. Several customers also told the CMA that the laying of aggregates causes a lot of disruption to landowners' property, that aggregates are difficult to remove once installed and are therefore unsuitable for any jobs of a short duration, or where the land has to be returned to its previous condition upon completion of the job.
47. The majority of customers who responded to the CMA's investigation, also stated that aggregates, steel and wood panels are not substitutes for aluminium panels. Some customers told the CMA that aggregates could be considered a suitable substitute for aluminium under certain circumstances.
48. In light of the above evidence, the CMA does not consider that aggregates, steel or wood panels should be included in the frame of reference.

Segmentation by customer type

49. The CMA further investigated whether the product scope for TAF solutions could be segmented by customer type.
50. The Parties submitted that Ashtead and Lion serve different types of customer, namely Ashtead's focus has been on [redacted] and, to a lesser extent, [redacted], while Lion has focused on [redacted].
51. However, the Parties also submitted that, while they market their TAF solutions to various industrial sectors in order to achieve good utilisation rates, patterns of demand are not completely predictable. The Parties submitted that suppliers of TAF solutions will therefore market their solutions to customers in all sectors to minimise the time their panels are stored at their depots (and are therefore not generating any revenue). The Parties further submitted that other suppliers of TAF solutions service a wide array of industries and that the sectoral experience of a supplier is not important to customers.
52. Responses from third parties to the CMA's merger investigation indicated that there are some differences between the requirements of events customers and customers in other sectors, for example construction or transmission customers.
53. A few customers in the construction sector and some suppliers of TAF solutions told the CMA that aluminium panels are unsuitable for some jobs located in remote areas of the countryside as there is a higher risk of theft of aluminium panels than of other panel types, due to their value as scrap metal. However, several other customers in the construction sector told the CMA that aluminium panels are their preferred TAF solution. This is because of their load-bearing capabilities and suitability for carrying heavy plant, machinery and vehicles.

54. Based on responses from customers, the CMA found that there is a wide variation in the number of panels required by different customers. The CMA found for example that a small number of customers in the events sector, in particular, require a particularly large number of panels. These differences are discussed in more detail in the competitive assessment section below.
55. Therefore, the CMA did not adopt separate product frames of reference for different customer types, as given the wide range of customer requirements between and within industrial sectors, there is no clear means by which to delineate customers. Relevant differences between the requirements of individual customers or customer groups are taken into account where relevant in the competitive assessment.
56. On the basis of the evidence before it, the CMA has considered the impact of the Merger in the supply of aluminium and heavy-duty plastic TAF solutions, collectively '**heavy-duty TAF solutions**'.

Geographic scope

57. The Parties submitted that the appropriate geographic frame of reference should be at least UK, and arguably EEA-wide.

Local markets

58. The Parties submitted that all suppliers deliver and install panels at customer locations across the UK, and that (with the exception of Ashtead, which owns four depots), all suppliers do so from a single depot. The Parties also submitted that fixed local infrastructure for the storage of panels, in the form of a depot or warehouse, is not a prerequisite for a supplier of TAF solutions¹⁸.
59. All responses to the CMA's merger investigation received from competitors indicated that they operate on a national basis. None of the customers that responded to the CMA's investigation indicated that there are local markets for TAF solutions, or that the location of a supplier's depot is a factor in their choice of supplier.
60. On the basis of the evidence before it, the CMA does not believe that the supply of TAF solutions is characterised by local markets within the UK.

¹⁸ This is because suppliers could, if desired, travel from job-to-job, effectively setting up a satellite depot at the location of each job. Further, the Parties submitted that a driver of the success of a supplier of TAF solutions is that their panels are intensively used, rather than being stored at depots.

International markets

61. The Parties submitted that suppliers from the EEA and the US also bid for larger projects in the UK.
62. None of the customers who responded to the CMA's merger investigation said that they consider overseas suppliers to be credible alternatives to the Parties. Further, several competitors and customers told the CMA that they consider the TAF solutions industry to be less well developed in other EEA countries and that they do not believe suppliers based outside of the UK have the ability to meet UK customers' needs and/or satisfy UK health and safety requirements.
63. On the basis of this evidence, the CMA does not believe that overseas suppliers are credible options for the supply of heavy-duty TAF solutions to customers in the UK.

UK or Great Britain-wide market

64. The CMA also considered whether the appropriate geographic frame of reference should be the UK or Great Britain (**GB**).
65. From the Parties' submissions, the CMA noted that they consider very few contracts in Northern Ireland to be opportunities for them and that their activity in Northern Ireland is very limited.
66. On the basis of the above, the CMA believes GB to be the appropriate geographic frame of reference.

Conclusion on frame of reference

67. For the reasons set out above, the CMA has considered the impact of the Merger in the **supply of heavy-duty TAF solutions in GB**.

Competitive assessment

Nature of competition in the supply of heavy-duty TAF solutions

68. The Parties submitted that contracts to supply TAF solutions are entered into following private negotiations or a bidding process. The Parties submitted that such contracts can be 'one-off' agreements for a single event or project, or multi-year 'framework' agreements for recurring events or projects with the same customer. Besides customers in the events sector who organise annual, recurring events, other examples of repeat customers are those active in the

rail and transmission sectors, who have a continual stream of projects requiring TAF solutions.

69. The Parties submitted that key factors in negotiations and bidding processes are customers' technical requirements (which will differ from customer to customer) and the ability of rival service providers to supply an effective solution on time and at a competitive price. The Parties also submitted that customers will generally choose a provider by reference to price and service levels (including ease of installation, logistical proficiency, response time and the speed of installation and removal), with the specific material of panels being either a secondary consideration or unimportant to customers.
70. Responses from third party customers to the CMA's merger investigation indicated that whilst customers naturally have a preference for better service levels and suppliers with better reputations, these are not determining factors in their choice of supplier. Customers indicated that price and availability of suitable panels¹⁹ are fundamental factors in their choice of supplier.

Cross-hire of TAF solutions

71. 'Cross-hire' is the term used to describe the subcontracting of either a full TAF solution (including staff and equipment needed to install the solution) or a specified number of panels only²⁰ to another supplier, so that this supplier can fulfil a contract it has won.
72. The Parties submitted that competitors, in particular recent or new entrants, are not capacity-constrained because they can cross-hire TAF solutions and panels from rivals, and that this is a regular occurrence. The Parties submitted that this is because it is economically efficient for a supplier to hire out panels that are not being used, and if it chooses not to, a competitor would instead obtain these panels from a rival supplier. The Parties further submitted that as the dates and TAF requirements of events are known well in advance of them taking place,²¹ it is possible for a supplier to win a contract, without having an agreement to cross-hire from other suppliers already in place, and still have sufficient time to arrange the cross-hire of the required panels. Based on the Parties' submissions, the CMA notes that Lion cross-hires regularly with a number of other smaller competitors but that Eve cross-hires less frequently than Lion.

¹⁹ Availability of suitable panels meaning both the availability of the right type of panel (either in terms of material or properties) and a sufficient quantity of these panels.

²⁰ The practice of sub-contracting or cross-hiring panels only is known as 'dry-hire'.

²¹ For example, the date of an annual event will normally be known at least one year in advance.

73. Eight of the 17 customers who responded to the CMA's merger investigation said that their preference is for their TAF suppliers not to cross-hire from alternative suppliers. Several of these customers said that this is because they are less certain of the level of service that would be supplied by the company whose TAF solution is being cross-hired. Some of these customers also told the CMA that they have experienced a reduction in service quality when their supplier has cross-hired.
74. Around half of the competitors that responded to the CMA's investigation stated that they do not cross-hire in. The reasons given by these competitors include the fact that cross-hiring reduces their profits and competitiveness, and that there is uncertainty in the service quality that would be provided by the supplier from which they are cross-hiring. Several competitors told the CMA that they would not compete for certain large projects because they have insufficient panels to fulfil these.
75. However, the CMA also received evidence from several suppliers of aluminium panels who said that they cross-hire frequently, both in and out, despite having relatively small panel holdings.
76. The CMA found that suppliers relying on cross-hired resources are dependent on their competitors for the main component of the service they supply. The CMA believes that this limits these suppliers' ability to constrain the supplier who owns the TAF solutions or panels that are being cross-hired.
77. However, the CMA believes that cross-hiring increases a firm's ability to compete for contracts that it otherwise could not fulfil using its own stock of panels, without the need to invest in additional capacity.
78. In view of the above evidence, the CMA believes that cross-hire is considered as an option by some competitors more than by others. On a cautious basis the CMA has therefore focused on suppliers' own stocks of panels in assessing the competitive constraint they would exert on the merged entity. The CMA also notes that cross-hiring may allow some smaller competitors to bid for contracts requiring more panels than they themselves hold.

Splitting contracts between suppliers of TAF solutions

79. While cross-hiring involves a single supplier winning a contract and effectively subcontracting part of the project, customers may also choose to split a contract among a number of suppliers.
80. The Parties made limited submissions in relation to the practice of splitting contracts between suppliers.

81. Larger customers who responded to the CMA's merger investigation said that they had a preference for using larger TAF suppliers because they would be able to provide them with the required number of panels under one contract. These customers told the CMA that there may be administrative costs associated with having a number of suppliers and that having to manage multiple TAF contracts is more onerous.
82. Several of these larger customers told the CMA that they have either considered splitting their TAF solutions contract, and/or have done so in the past.
83. One competitor told the CMA that if it could not carry out a job on its own, it would try to split a contract (if the customer was happy for it to do so). It also provided several examples of contracts where this had occurred. This competitor also said that customers sometimes prefer having multiple suppliers as it means they are not totally reliant on one supplier to deliver their TAF requirements.
84. On the basis of this evidence, the CMA believes that although splitting contracts for the supply of TAF solutions is not currently widespread, it is a practice that customers with large contracts have followed in the past (and that some customers have a preference for) and that other customers would consider.
85. The CMA believes that if contracts can be split (and customers do not have a strong preference for contracts to be fulfilled by a single or small number of suppliers), then the merged entity will be constrained on contracts requiring large numbers of panels, not only by large firms but also by combinations of multiple small firms, provided there are sufficient small firms to compete for each portion of the contract.

Horizontal unilateral effects

86. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged firm profitably to raise prices or degrade quality on its own and without needing to coordinate with its rivals.²² Horizontal unilateral effects are more likely when the merger parties are close competitors.

²² [Merger Assessment Guidelines](#), from paragraph 5.4.1.

87. The CMA assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC as a result of unilateral horizontal effects in the supply of heavy-duty TAF solutions in GB.

Shares of supply and capacity

88. Using information submitted by the Parties and some third party competitors regarding their holdings of aluminium and heavy-duty plastic panels, the CMA estimated the Parties' and their main competitors' shares of capacity for heavy-duty panels. These are shown in Table 1 below.

Table 1: Estimated shares of capacity of heavy-duty TAF panels in GB (as at August 2016)

| <i>Supplier</i> | | | <i>All Heavy-duty Panels</i> | |
|------------------|----------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------------------|
| | <i>Aluminium Panels held (#)</i> | <i>Heavy-duty Plastic Panels held (#)</i> | <i>Total Heavy-duty Panels held (#)</i> | <i>Share of Capacity of all Heavy-duty Panels (%)</i> |
| Ashtead | [REDACTED] | [REDACTED] | [REDACTED] | [30-40] |
| Lion | [REDACTED] | [REDACTED] | [REDACTED] | [10-20] |
| <i>Combined</i> | [REDACTED] | [REDACTED] | [REDACTED] | [50-60] |
| TPA | [REDACTED] | [REDACTED] | [REDACTED] | [20-30] |
| Terrafirma | [REDACTED] | [REDACTED] | [REDACTED] | [10-20] |
| Mabey Hire | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Generator Power | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Davis Trackhire | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Autotrak | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Grassform | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Captrac | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Fieldtrack | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| GT Trax | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Dixon Trackway | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| UK Trackway Hire | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Others | [REDACTED] | [REDACTED] | [REDACTED] | [0-5] |
| Total | [REDACTED] | [REDACTED] | [REDACTED] | 100 |

Source: The Parties' submissions and third party responses

89. On the basis of the CMA's estimates, the Merger would result in an increase in Ashtead's share of capacity of heavy-duty TAF solutions from [30-40]% to [50-60]% in the UK.²³

²³ The CMA did not attempt to estimate shares by revenue for the supply of heavy-duty TAF solutions due to the difficulty in allocating revenue to a particular type of panel, where suppliers use more than one type of panel.

90. Capacity shares may be informative because heavy-duty TAF solutions are relatively undifferentiated and responses from third parties indicated that capacity shares do not fluctuate significantly over time.
91. However, evidence from the Parties' submissions and evidence received from third parties suggest that incumbent suppliers generally do not have a significant advantage over a potential new supplier in bidding or negotiating for a contract. The evidence indicated that for some customers switching suppliers takes place relatively frequently and that some new entrant suppliers have been able to build up their panel holdings and increase the number of panels they hold relatively quickly.
92. Given that the Parties' combined share of capacity would be above 50%,²⁴ and that the increment would be significant, the CMA could not rule out competition concerns arising from the Merger on the basis of an analysis of shares of capacity alone. The CMA also notes that a small number of customers require a large number of panels and that the set of effective competitors for these customers' contracts may be restricted, relative to contracts for smaller numbers of panels.

Closeness of competition

93. The CMA notes from customer responses to its investigation that price is identified as an important differentiating factor between suppliers more frequently than any other factor, and that the TAF solutions supplied by different suppliers are relatively undifferentiated. The CMA considers that these factors indicate closeness of competition between the Parties is not particularly important in its assessment of the impact of the Merger. Nevertheless, the CMA considered how closely the Parties compete for customers.
94. The Parties' submissions and evidence received from some competitors show that Ashtead is the largest holder of heavy-duty panels, and that Lion is another of the four largest holders of heavy-duty panels in GB.
95. The Parties submitted that, although they compete for [X], they are not each other's closest competitor as they tend to target customers in different sectors.
96. Third party responses to the CMA's merger investigation consistently indicated that the Parties are close competitors. In particular, several customers stated that Ashtead and Lion's offerings are similar in terms of the

²⁴ See [Merger Assessment Guidelines](#), from paragraph 5.3.5.

service offered and their capacity and logistical capabilities (ie in relation to staffing and a supplier's ability to install and remove heavy-duty panels within the customer's required timescales).

97. The majority of competitors that commented on price competition between suppliers of TAF solutions identified the Parties as the first and second most competitive suppliers in terms of price.
98. However, the evidence received by the CMA from customers and competitors also indicated that other suppliers of TAF solutions offer a general level of service that is similar to that offered by the Parties.

Competition for larger volume requirements

99. Three large customers in the events sector told the CMA that, as their heavy-duty panel requirements are so large, there are a limited number of companies that are capable of supplying them, without either some cross-hiring from another supplier, or the customer splitting the contract between suppliers. Two of these customers told the CMA that the Parties and another supplier, TPA Portable Roadways Ltd (**TPA**), are the only suppliers with sufficient aluminium panel holdings to be able to fulfil their contracts alone and without the involvement of another supplier.
100. The CMA considers that not all competitors may have the ability to make credible bids for contracts which require a particularly large number of panels, due to the size of their panel holding, and this is likely to reduce the range of competitors available to some customers. This issue is discussed further below. However, the CMA believes that, to the extent that there are fewer effective competitors for such contracts, the Parties do not appear to be closer competitors for these contracts than the other remaining large competitors, TPA and Terrafirma Roadways Ltd (**Terrafirma**), for the majority of large customers, due to the lack of differentiation in the service provided by these suppliers. *A fortiori*, the Parties are not closer competitors to each other than other competitors in relation to contracts requiring smaller numbers of panels, due to the lack of differentiation in the service provided by different suppliers, and the large number of alternative suppliers.
101. On the basis of the above evidence, the CMA believes that the Parties are one of each other's closest competitors for the supply of heavy-duty TAF solutions.

Competitive constraints

102. The CMA assessed the extent to which sufficient competitive constraints exist to prevent the Parties from raising prices or reducing quality of service for the supply of heavy-duty TAF solutions post-Merger.
103. In its assessment, the CMA considered the relative competitive strength of competitors. The CMA also considered the range of credible alternative suppliers that are available to different customers, based on the number of panels those customers require for their contracts. Based on the Parties' submissions and third party responses to the CMA's investigation, the CMA was able to identify different customers' panel requirements and grouped customers with similarly sized requirements for its assessment using the following thresholds: customers requiring fewer than 1,000 heavy-duty panels; customers requiring between 1,000 and around 4,500 heavy-duty panels; customers requiring more than around 4,500 heavy-duty panels.

Competitors

104. The CMA considered the relative competitive strength of different competitors based on the size of their panel holdings and, by proxy, their ability to compete for different sized contracts, as well as the types of panels they hold. The CMA classified these as larger competitors, medium-sized competitors, and smaller competitors, with the size of these competitors and relevant classification based on the total number of panels they hold.
105. The CMA considered larger competitors to be those holding more than around 4,500 heavy-duty panels, medium-sized competitors to be those holding between 1,000 to around 4,500 heavy-duty panels and smaller competitors to be those holding fewer than 1,000 heavy-duty panels.²⁵

Larger competitors

106. The CMA found that, in addition to the Parties, there are two suppliers of heavy-duty TAF solutions that hold more than around 4,500 heavy-duty panels. These are TPA and Terrafirma.
107. The Parties submitted that both TPA and Terrafirma are large and significant competitors to them for customers across all sectors. The Parties' bidding data also indicated that Terrafirma has bid for and won a number of contracts

²⁵ The CMA based these thresholds on information submitted by the Parties, indicating the number of panels required by customers, and information submitted by third parties, indicating their holdings of aluminium and heavy-duty plastic panels.

that the Parties have also bid for, although none of these contracts were with customers in the events sector.

108. TPA told the CMA that it has [REDACTED] aluminium and [REDACTED] heavy-duty plastic panels²⁶. [REDACTED]. Terrafirma told the CMA that it has [REDACTED] heavy-duty panels [REDACTED]. [REDACTED].
109. Several customers, across the events, construction, electricity transmission and other sectors, identified TPA as a credible alternative supplier to the Parties.
110. A number of customers that responded to the CMA identified Terrafirma as a credible alternative supplier to the Parties. The majority of these customers are active in the construction and transmission sectors, however some events customers also identified Terrafirma as a credible alternative, and stated that they have recently been supplied by Terrafirma. One events customer has been supplied with a number of Terrafirma's panels by its TAF supplier, through a cross-hire arrangement, despite that customer's stated preference for aluminium panels. This customer told the CMA that it has subsequently found Terrafirma's panels to be suitable for use at its event.
111. On the basis of the evidence above, the CMA considers TPA to be a strong competitor to the Parties for all contracts for customers in all sectors. The CMA considers Terrafirma to be a close competitor to the Parties for all customers excluding customers in the events sector, where Terrafirma is only a limited competitive constraint on the Parties.

Medium-sized competitors

112. The Parties submitted that there are a number of medium-sized competitors which it considers to actively compete with them for contracts with customers from all sectors. These medium-sized competitors include Autotrak Portable Roadways Limited, Davis Trackhire Ltd, Generator Power Limited, Grassform Plant Hire Ltd, and Mabey Hire Services Ltd. During the course of its investigation, the CMA contacted these five competitors, and several others which the Parties submitted are also of a similar size. Two of the medium-sized competitors that responded to the CMA's merger investigation said that they could compete with the Parties for most contracts, but that they would need to cross-hire panels from other suppliers to serve the largest contracts. Two other medium-sized competitors told the CMA that they would be unable to compete with the Parties for larger contracts.

²⁶ Comprising [REDACTED] and [REDACTED] panels.

113. However, a few of the medium-sized competitors who responded said that they have either been able to fulfil smaller sections of a large contract (as a customer had decided to split its overall contract into smaller parts), or believed that they could compete for sections of these contracts with the Parties in future.
114. Several of the medium-sized competitors who responded said that they have firm plans to expand their stock holding of heavy-duty panels. All of these competitors said that this expansion would occur in time for them to supply customers during the next events season (ie the summer of 2017.) These competitors told the CMA that they thought it would be relatively easy to expand their stock holding of panels, as panels are readily available and it is possible to obtain finance for their purchase.
115. On the basis of this evidence, the CMA believes that there are at least five medium-sized competitors that compete closely with the Parties for contracts requiring fewer than around 4,500 heavy-duty panels. However, the CMA believes that these competitors' smaller heavy-duty panel holdings (in comparison with the Parties'), might limit their current ability to compete for some larger contracts, in particular for those customers requiring more than around 4,500 heavy-duty panels for a given event. The CMA believes that these competitors would be able to compete for these larger contracts, if they are able to cross-hire panels from other suppliers and/or if customers are willing for their contracts to be split between multiple suppliers.

Smaller competitors

116. During its investigation, the CMA identified five smaller competitors,²⁷ which currently have between 300 to 1,000 heavy-duty panels.
117. Several of these smaller competitors told the CMA they also have the ability to compete with the Parties, other larger competitors, and medium-sized competitors for contracts where customers require fewer than 1,000 heavy-duty panels.

Competitive assessment of the supply of heavy-duty TAF solutions

118. Based on the evidence before it regarding competitors, the CMA considered whether there are differences between the competitive conditions faced by different customers based on the number of heavy-duty panels they require for their contracts.

²⁷ [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED].

119. The CMA believes that customers requiring up to 1,000 heavy-duty panels for their contracts will have the option of being supplied with TAF solutions by three large suppliers, five medium-sized suppliers, and some smaller suppliers, without these suppliers having to cross-hire or split their contracts with another supplier.
120. Customers requiring 1,000 to 4,500 heavy-duty panels will have the option of being supplied by three large suppliers and between one and five medium-sized suppliers, without the requirement for cross-hire or for contracts to be split between suppliers.
121. The CMA therefore believes that for customers with heavy-duty panel requirements of up to around 4,500, post-Merger there will remain a sufficient number of competitors with sufficient panel holdings to fulfil customers' needs on their own.
122. Based on a static view of the market,²⁸ the CMA considers that those customers requiring more than around 4,500 heavy-duty panels to be sourced from a single supplier would, post-merger, have a choice between the merged entity, TPA, and Terrafirma, without the requirement for cross-hire or for contracts to be split between suppliers.
123. The CMA considers that of these customers who require a large number of heavy-duty panels, those in the events sector may only have a choice between the merged entity and TPA. This is because Terrafirma does not currently target contracts for customers in the events sector and some of these customers told the CMA they have a strong preference for aluminium panels only.

Competition for contracts with large panel requirements

124. The CMA therefore considered the extent to which there are other competitive constraints relevant to its assessment of the effect of the Merger on events customers requiring more than around 4,500 heavy-duty panels.
125. The Parties submitted that large customers would be able to sponsor entry of a new supplier of TAF solutions, or the expansion of an existing supplier. To support this, the Parties submitted (and the relevant customer confirmed) that Ashtead only started supplying heavy-duty plastic panels as a result of a request from a large customer who tendered for a multi-year contract.

²⁸ A static view considers only the current stock holdings of heavy-duty plastic and aluminium panels by suppliers of TAF solutions; it does not consider the current expansion plans of suppliers.

126. Customers with contracts requiring large numbers of heavy-duty panels who responded to the CMA's merger investigation said that their contracts with suppliers of TAF solutions were normally multi-year (typically up to four or five years in length). One such customer told the CMA that were the merged entity to raise prices or reduce the level of service offered, they could explore other options for the supply of heavy-duty TAF solutions, including sponsoring the entry of a new supplier of heavy-duty TAF solutions.
127. The majority of customers with contracts requiring large numbers of panels told the CMA that they have either split their contracts between multiple suppliers in the past (including for some, their most recent contract) and/or would consider splitting their contracts in the future. The majority of these customers told the CMA that they have a good knowledge of the prices and options available to them in the supply of heavy-duty TAF solutions, and would be unwilling to accept a price rise from the Parties. Based on the responses of these customers, the CMA also notes that some have switched their supplier of TAF solutions in the past two years.
128. Of the competitors that told the CMA they are currently unable to compete with the Parties for jobs in the events sector, some indicated that they intend to compete for these contracts in future. Several of these competitors said that they have firm plans to increase their heavy-duty panel holdings in order to do so, and that this would occur within the next one to two years. Based on the responses of these competitors, the CMA estimates that the level of planned expansion means that within the next one to two years there will be at least three suppliers of TAF solutions with heavy-duty panel holdings of around 4,500.
129. Several competitors also told the CMA that they regularly cross-hire TAF solutions (and/or dry-hired heavy-duty panels) from other suppliers.
130. The CMA considers that as larger customers have a good knowledge of the prices and options available to them in the supply of heavy-duty TAF solutions, they would be able to use the threat of switching between alternative suppliers, to obtain a better price from the Parties.
131. The CMA believes that the regularity of the occasions on which TAF solutions are required by events customers means that these larger customers have a significant period of time, usually up to one year, to plan how their requirement will be serviced.²⁹

²⁹ The CMA also notes that some of these larger customers have contracts with a number of years left to run and would therefore be protected from any potential adverse effects of the merger in the short term, and would therefore have even longer to organise supporting expansion in the longer term.

132. The CMA found that as customers with requirements for more than around 4,500 heavy-duty panels have been able to switch their supplier of TAF solutions in the past, an incumbent supplier will have no significant advantage during the bidding or negotiating process for a contract. The CMA notes that there are no material costs associated with switching suppliers.
133. The CMA further notes the willingness of customers with requirements for more than around 4,500 heavy-duty panels to split their contracts. The CMA believes that, based on a scenario where customers split their contracts between a maximum of two different suppliers, customers with the largest panel requirements (of around 9,000 heavy-duty panels), would have three different combinations of medium-sized suppliers to choose from. This would be in addition to at least the two (and for non-event customers, three) large suppliers who could fulfil these customers' requirements on their own.
134. The CMA believes that cross-hire will also enable some medium-sized suppliers to compete for the entirety of a contract requiring a large number of heavy-duty panels. The CMA believes that the evidence of the frequency and extent to which cross-hire occurs indicates the number of suppliers that can credibly compete for large contracts will be higher than that implied by their current holdings of heavy-duty panels.
135. On the basis of the above evidence, the CMA therefore believes that there will be sufficient competitive constraints on the merged entity post-Merger to mean that there is no realistic prospect of an SLC arising from the Merger.

Conclusion on horizontal unilateral effects

136. As set out above, the CMA considers that for customers with a contract requiring up to around 4,500 heavy-duty panels, a sufficient number of alternative suppliers of heavy-duty TAF solutions capable of fulfilling these contracts on their own, will remain post-Merger.
137. For customers that have contracts requiring more than around 4,500 heavy-duty panels in sectors other than events, the CMA believes that there will be sufficient competitive constraints on the merged entity post-Merger to mean that there is no realistic prospect of an SLC arising from the Merger. This is on the basis of these customers having a number of alternative suppliers of heavy-duty TAF solutions.
138. For customers in the events sector that have contracts requiring more than around 4,500 heavy-duty panels, the CMA believes that the Parties compete more closely for these customers' business, and that there will be fewer remaining alternative suppliers capable of fulfilling these customers'

requirements on their own post-Merger. However, the CMA believes that, as described above, the merged entity will face sufficient additional constraints on the supply of heavy-duty TAF solutions to these customers, such that there is no realistic prospect of an SLC arising from the Merger.

139. Accordingly, the CMA believes that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the supply of heavy-duty TAF solutions in GB.

Barriers to entry and expansion

140. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no substantial lessening of competition. In assessing whether entry or expansion might prevent a substantial lessening of competition, the CMA considers whether such entry or expansion would be timely, likely and sufficient.³⁰
141. The CMA has discussed its consideration of barriers to entry and expansion specifically in relation to different groups of competitors within its competitive assessment above. The CMA also considered the extent to which barriers to entry and expansion exist for the supply of heavy-duty TAF solutions more generally.
142. The Parties submitted that barriers to entry and expansion for the supply of heavy-duty TAF solutions are low, as there are no specific technological or intellectual property barriers to overcome, it is relatively easy to train staff to be able to install and remove heavy-duty TAF solutions, and the level of financial investment required is low.
143. Two smaller competitors who responded to the investigation told the CMA that they thought a supplier of heavy-duty TAF solutions needs to have between 1,000 and 2,000 heavy-duty panels to compete effectively with the Parties. One of these competitors told the CMA that the financial investment required for a new entrant to acquire 1,000 to 2,000 heavy-duty panels, and the additional equipment required to provide heavy-duty TAF solutions, would be around £3 million. These and some other competitors told the CMA that the time required to begin supplying TAF solutions would be less than one year.
144. Some manufacturers of heavy-duty panels told the CMA that the production and delivery times of aluminium panels is short, with it typically taking four weeks or less for 1,000 finished panels to be delivered to a supplier of heavy-duty TAF solutions. One manufacturer told the CMA that it also tends to

³⁰ [Merger Assessment Guidelines](#), from paragraph 5.8.1.

always keep 500 to 1,000 heavy-duty panels in stock so that these are available immediately to suppliers of TAF solutions.

145. Based on the evidence before it, the CMA considers that the market for heavy-duty TAF solutions is dynamic and one that is evolving relatively quickly. The CMA further considers that barriers to entry or expansion for the supply of heavy-duty TAF solutions are not significant.
146. However, the CMA has not had to conclude on barriers to entry or expansion as the Merger does not give rise to competition concerns on any basis.

Third party views

147. The CMA contacted customers and competitors of the Parties, and manufacturers of heavy-duty panels.
148. Third party comments have been taken into account where appropriate in the competitive assessment above.

Decision

149. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom.
150. The Merger will therefore **not be referred** under section 33(1) of the Act.

Kate Collyer
Deputy Chief Economic Advisor
Competition and Markets Authority
25 August 2016