



Dept.Trade&Industry

Stmnt reGala Group/Riva Clubs

Dept Trade & Industry
17 August 2000

ALAN JOHNSON ACCEPTS UNDERTAKINGS FROM GALA GROUP

Alan Johnson, Minister for Competitiveness, announced today that he had accepted satisfactory undertakings from Gala Group Limited and that the acquisition of Riva Clubs Limited by Gala will not therefore be referred to the Competition Commission. This decision is in accordance with the advice of the Director General of Fair Trading (DGFT).

The undertakings require the parties to:

- divest bingo clubs in five areas where Gala and Riva overlap within six months, and
- continue to participate in the National Game for five years.

The undertakings also provide for the appointment of an independent trustee if a buyer has not been identified six months from the date of the undertakings. The trustee will effect the sale of any of the clubs which Gala is unable to dispose of within an additional period of six months.

Mr Johnson said :

'On 21 July Kim Howells announced that he had decided not to refer this merger to the Competition Commission provided that the parties gave undertakings to remedy the competition concerns raised by the merger. He published draft undertakings and asked interested parties to comment on them to the OFT. Following that consultation, the DGFT has advised me that the undertakings are appropriate to remedy the adverse effects of the merger. I agree with the DGFT's advice and have therefore decided to accept the undertakings in lieu of a reference to the Competition Commission.'

Notes for Editors

Section 75G of the Fair Trading Act 1973 (inserted by Section 147 of the Companies Act 1989 and amended by the Deregulation and Contracting Out Act 1994) enables the Secretary of State to accept undertakings as an alternative to making a merger reference to the Competition Commission. The Secretary of State must consider that such undertakings remedy the adverse effects of the merger specified by the DGFT which would otherwise have led him to make a reference to the Competition Commission.

On 21 July Dr Howells announced that he had asked the DGFT

to seek undertakings from Gala Group Limited in lieu of a reference to the Competition Commission and invited interested parties to comment on the draft text (DTI Press Notice P/2000/518 refers).

Copies of the undertakings signed by the parties and the DGFT's advice can be obtained from Mr Trevor Kenney, Competition Policy Directorate 1a, Department of Trade and Industry, tel 020 7215 5759.