



Competition & Markets Authority

Research to inform EMR/ MWR Acquisition

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research

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Prepared by:
James Hinde
Research Director
jhinde@djsresearch.com

David Marchant
Associate Director
dmarchant@djsresearch.com

Beth Wiles
Research Executive
bwiles@djsresearch.com

Head office:
3 Pavilion Lane, Strines,
Stockport, Cheshire, SK6 7GH

+44 (0)1663 767 857
djsresearch.co.uk



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2. Executive summary

Background

European Metal Recycling (EMR) is a large international metal recycling company, operating about 65 sites in the UK. Metal and Waste Recycling Ltd (MWR), previously owned by the company CuFe, is a smaller company with 8 sites in the UK. EMR acquired MWR on 25th August 2017 and the transaction has been referred to a CMA phase 2 enquiry due to competition concerns.

The CMA has commissioned a survey on the impact on competition in London, but also the West Midlands. The CMA wish to ascertain in particular what scrap metal suppliers transacting with one of the two Parties would have done if the EMR or MWR focal site they last transacted with had closed down. There is a need to understand which other waste metal recycling sites, if any, the supplier could have used instead.

Key findings

- Responding suppliers primarily selected their EMR/MWR focal site because of the convenient location, with price of increased importance for suppliers transacting scrap metal worth more than £10,000 per annum and for metal recyclers in particular.
- The majority of responding suppliers were not transacting with EMR/MWR under an existing contract but chose the recycler each time they supplied scrap metal. The majority of responding suppliers who chose their recycler each time, accepted the price offered by EMR/MWR.
- Most responding suppliers delivered to the recycling site for their last transaction. However, suppliers whose metal had a value of greater than £10,000 were more likely to have their metal collected as were those who classified as manufacturers.
- In the hypothetical event of all EMR or MWR sites closing down, most suppliers would have used an alternative site, although fewer than half of suppliers named an alternative site.
- There is relatively high awareness of the acquisition amongst suppliers to MWR sites. Most suppliers were neutral about it or even positive, although a quarter of metal recyclers stated that the impact will be negative.

3. Introduction

Research objectives

The overarching object was to inform the inquiry into the acquisition of MWR by EMR, with particular focus on the impact on competition in London, but also in the West Midlands. Most specifically, the purpose of the research is to:

- Understand the business activity and waste metal generation of waste metal suppliers.
- Ascertain the metal recycling behaviour of suppliers and their relationships with metal recyclers.
- Assess the relative importance of different choice attributes such as price, location, and collection service and payment terms in their selection of the EMR/MWR focal site.
- Gauge waste metal suppliers' options and consideration of alternative waste metal recyclers in the event of their focal site closing down.
- Gain an appreciation of suppliers' perceptions of the effect the acquisition is likely to have on waste metal suppliers' business.

Methodology

A Computer Aided Telephone Interviewing technique (CATI) was chosen as an effective way to reach waste metal suppliers. This was seen as preferable to an online survey which would have likely resulted in a very low response rate from the target audience.

A questionnaire was developed in partnership between DJS Research and the CMA. Prior to the main fieldwork commencing, a number of pilot interviews were conducted to check flow, length and respondent comprehension of the questionnaire. These aspects of the survey continued to be monitored by the Team Leaders and Researchers at DJS Research throughout the fieldwork period.

Sample

The Parties (EMR and MWR) provided contact details for suppliers to their sites in the West Midlands and London, including transaction details for 2017. In the first instance, they extracted these from their central database, which resulted in contact details being provided for approximately 29% of suppliers of sites within scope. The CMA then went back to the Parties to ask for additional contact details to be sourced from individual site records. The resulting sampling frame covered just over 30% of suppliers in eligible sites, but was not random and for example underrepresented door trade suppliers. Supplier records totalling supplies below 10 metric tonnes and a total transaction value below £100 over the last year were removed from the sample.

Suppliers recording transactions with multiple sites were allocated to the site with the largest transaction value, referred to as the 'focal site'. All suppliers transacting with both EMR and MWR sites were randomly allocated to one of the two Parties' sites, maintaining a 50/50 split overall.

In order to qualify for participation in the survey, suppliers had to have sold metal to their focal site in the last 12 months. Quotas were set for each focal site.

Contacts were sampled at random with quotas set to achieve a representative number of interviews per focal site.

A full breakdown of completed interview numbers by focal site is shown in the table below (table 1):

Table 1 – Interviews by focal site

EMR London	MWR London
Boreham – 21	Edmonton – 22
Brentford – 37	Neasden – 6
Canning Town – 17	Hitchin (Shredder Site) – 108
East Tilbury (Shredder Site) – 4	
Erith – 64	
Mitcham – 23	
Rochester – 15	
Tilbury Dock – 2	
Wandsworth – 24	
Willesden (Shredder Site) – 2	
Bedford – 120¹	
EMR West Midlands	MWR West Midlands
Coventry – 120	Cradley – 16
Darleston – 50	Hockley – 4
Kingsbury – 121	Telford – 2
Landor – 12	
Smethwick – 10	

¹ A decision was made by the CMA to exclude EMR Bedford from the final data as the focus site was deemed to be outside of the London area in terms of competition

Participation criteria

- All respondents were responsible for decisions about who they supply their scrap metal to.
- To qualify for participation in the survey, suppliers had to have sold metal to their focal site in the last 12 months.
- Measures were in place to ensure businesses only took part in the survey once.

Fieldwork

Fieldwork took place between 9th March and 3rd April, 2018. The average interview length was c. 13 minutes. The survey response rate was 23%, calculated as the proportion of completes against the sum of completes and refusals.

In total, 800 telephone interviews were completed, however 120 of these at the EMR Bedford focal site were excluded from the analysis, leaving 552 suppliers to EMR sites (209 in London and 313 in the West Midlands) and 158 suppliers to MWR sites (136 in London and 22 in the West Midlands). This gives a total of 680 qualifying respondents.

Presentation of results

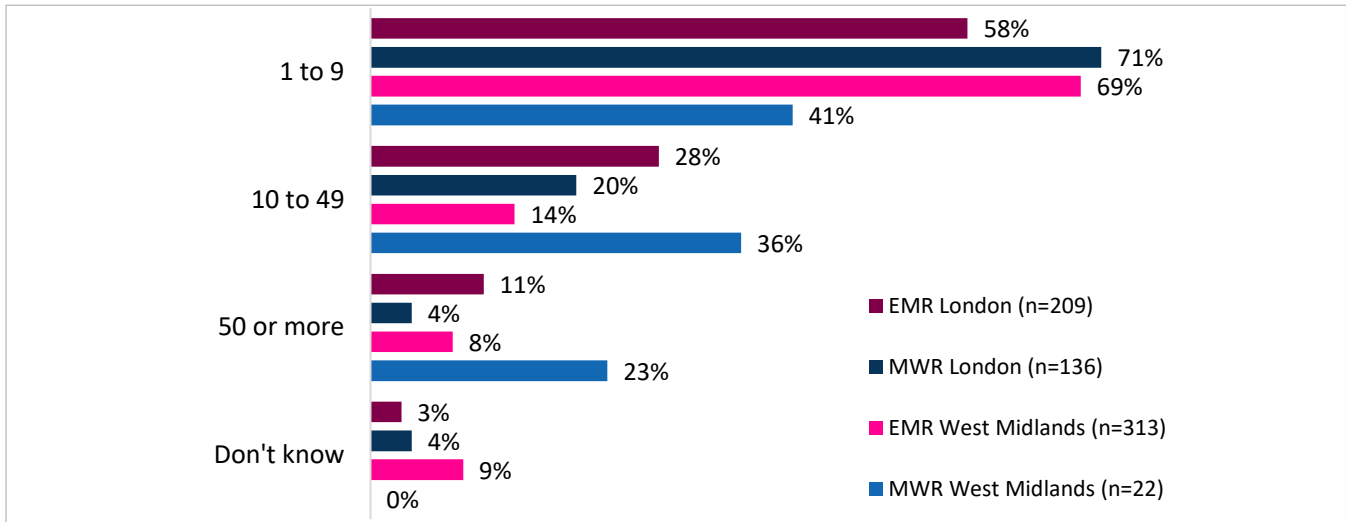
- In the main, data in the charts shows the results of EMR London (dark maroon), MWR London (dark blue), EMR West Midlands (pink) and MWR West Midlands (blue).
- Throughout, MWR West Midlands has a low base size which is denoted by an asterisk next to its base (e.g. 'MWR West Midlands (22)*').

Respondent profile

The majority of businesses who responded to the survey employ between one and nine members of staff (figure 1).

Figure 1: Number of employees

Base: All respondents (680)

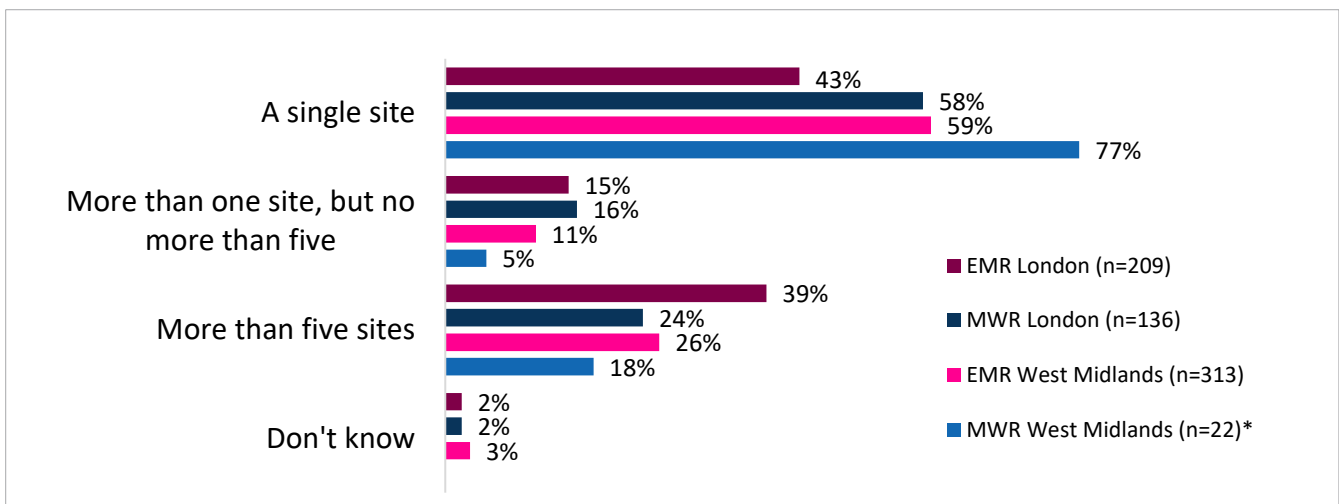


Q02: How many employees, including yourself, work in the business?

The majority of scrap metal suppliers operated from between 1 and 5 sites (figure 2).

Figure 2: Number of sites suppliers operated from

Base: All respondents (680)

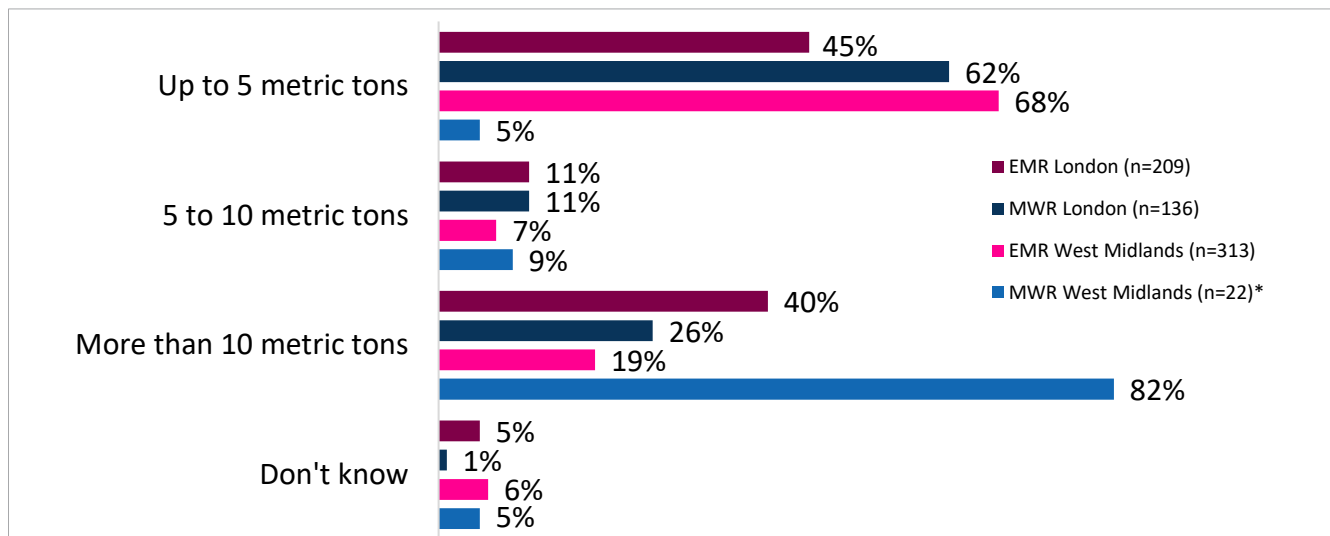


Q03: From how many sites do you generate waste metal?

The majority supplied up to 10 metric tons, in terms of volume of metal supplied since the beginning of 2017 (figure 3).

Figure 3: Volume of metal (supplied since the beginning of 2017)

Base: All respondents (680)

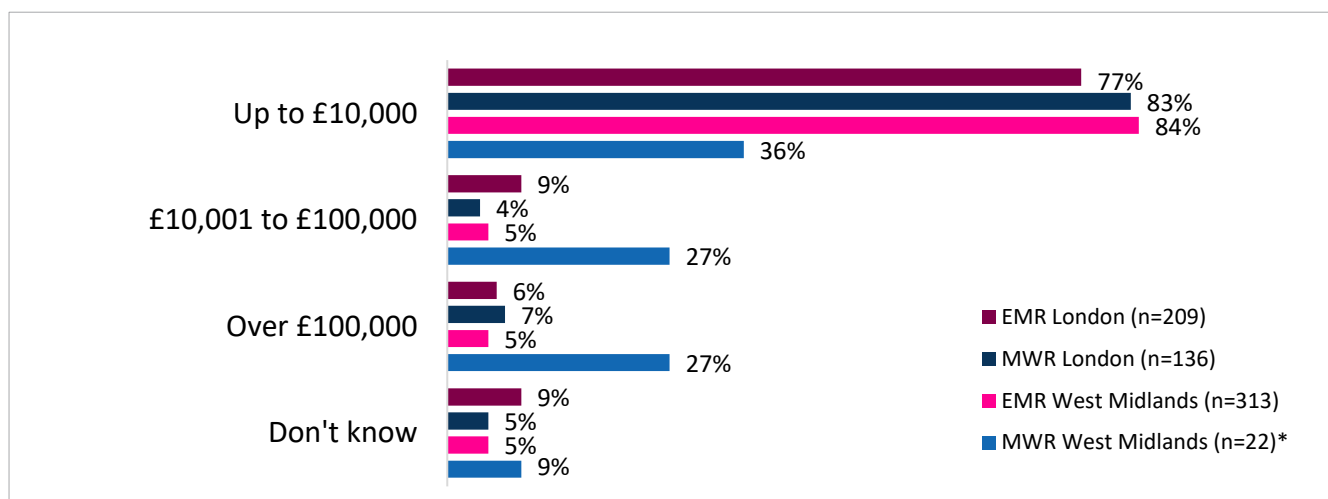


Q09a: Since the start of 2017, what is the approximate volume of metal you have sold to recyclers?

In the main, the value of this metal was £10,000 or less (figure 4).

Figure 4: Value of metal (supplied since the beginning of 2017)

Base: All respondents (680)



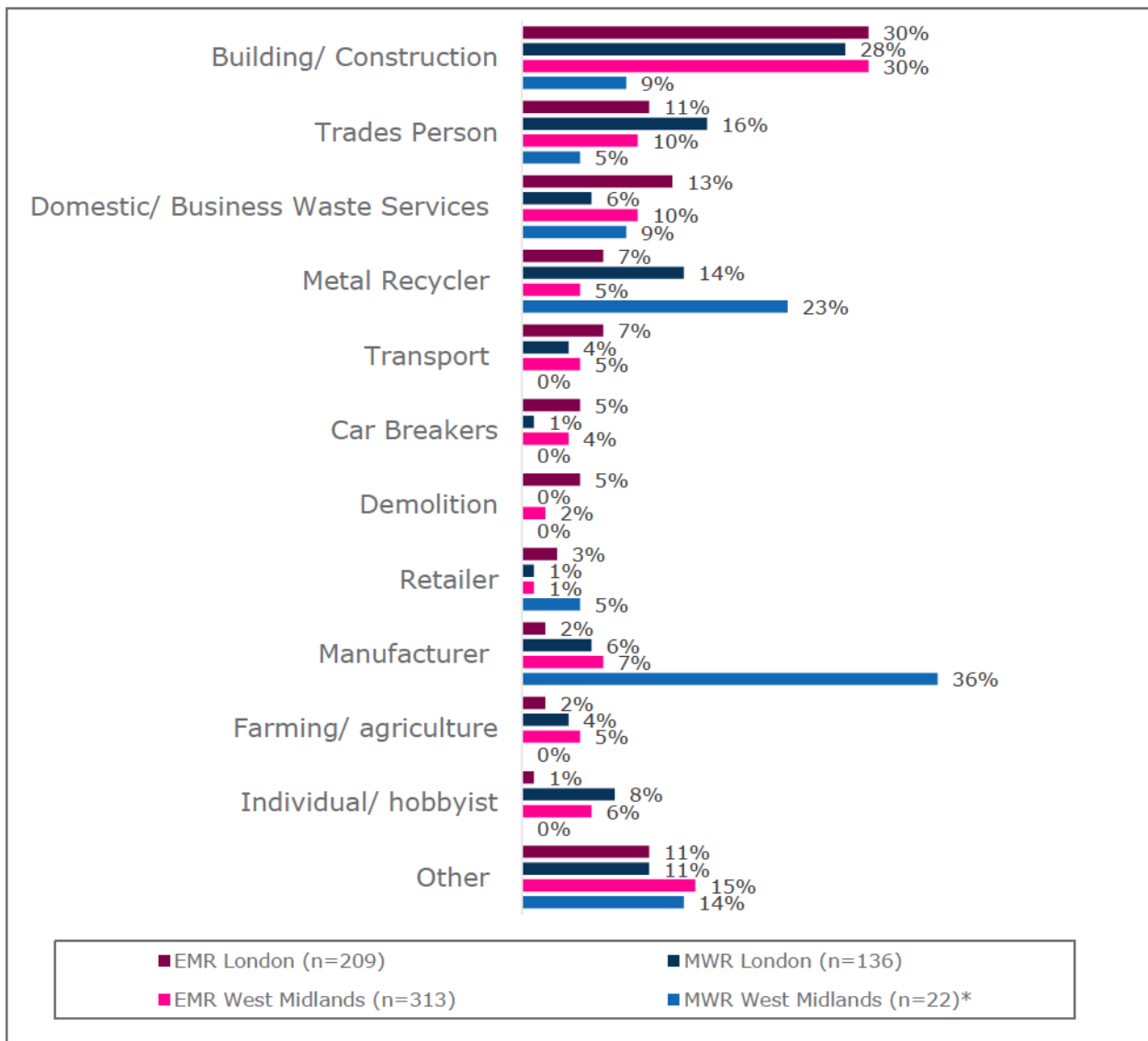
Q09c: And what, approximately, was the total value of that metal? To clarify, this is the total amount that you received for this.

4. Business activity and metal recycling process

Almost a third of businesses surveyed operate in the construction sector. Suppliers allocated to MWR West Midlands sites were mainly manufacturers or metal recyclers (figure 5). 'Other' responses include garages, engineering businesses, logistics etc.

Figure 5: Nature of business

Base: All respondents (680)

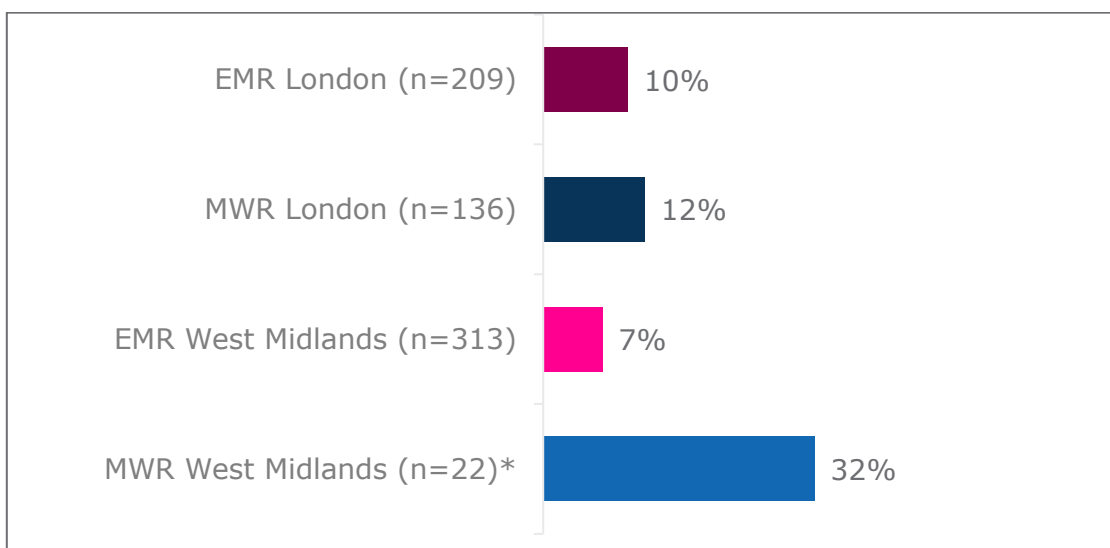


Q01: Which of the following best describes the nature of your business?

Only a minority of suppliers processed scrap metal as can be seen below (figure 6).

Figure 6: Scrap metal processors

Base: All respondents (680)



Q01a: Does your business do any processing of scrap metal?

Metal processing equipment ownership varied by supplier, with a large proportion of suppliers allocated to MWR London sites owning a weigh bridge and/or a baler (table 2).

Table 2: Types of equipment owned

Base: All respondents who process scrap metal (65)

Equipment owned	EMR London (n=20)	MWR London (n=16)	EMR West Midlands (n=22)	MWR West Midlands (n=7)
Weigh Bridge	4	11	8	3
Shredder	3	5	5	2
Baler	4	11	4	2
Shears	7	9	9	3
Granulator	1	3	2	1

Q01b: Do you have any of the following?

Half of all metal recyclers stated that they processed scrap metal. In terms of processing equipment, weigh bridges, balers and shears were more commonly owned by metal recyclers processing scrap metal than shredders or granulators. In the main, metal recyclers with 5 or more employees processed scrap metal (table 3).

Table 3: Prevalence of scrap metal processing amongst metal recyclers

Base: All metal recyclers (58)

Size of business	Total metal recyclers	Processing scrap metal
1-4 employees	29	9
5-9 employees	10	7
10-19 employees	13	8
20-49 employees	3	3
50 or more employees	3	2
TOTAL	58	29

Q01a: Does your business do any processing of scrap metal?

Of those who process metal (29), two metal recyclers didn't own any processing equipment, and four owned all processing equipment. The following numbers confirm ownership of specific processing equipment (table 4).

Table 4: Ownership of processing equipment by metal recyclers

Base: All metal recyclers processing scrap metal (29)

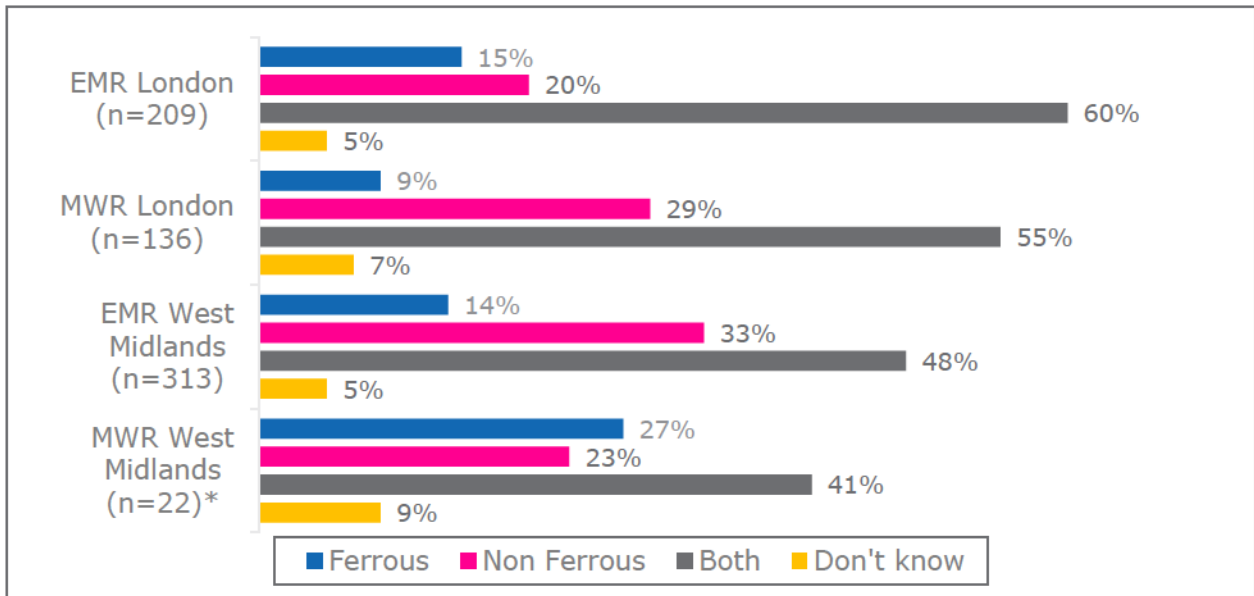
Equipment	Ownership
Weigh Bridge	21
Baler	20
Shears	20
Shredder	11
Granulator	7

Q01b: Do you have any of the following?

In terms of the type of metal produced or supplied, most suppliers claimed to produce or supply a mixture of ferrous and non-ferrous metals. This was particularly the case in London where over half supply a mix of metals (figure 7).

Figure 7: Metal types produced/supplied

Base: All respondents (680)



Q04: Which of the following types of metal do you produce / supply?

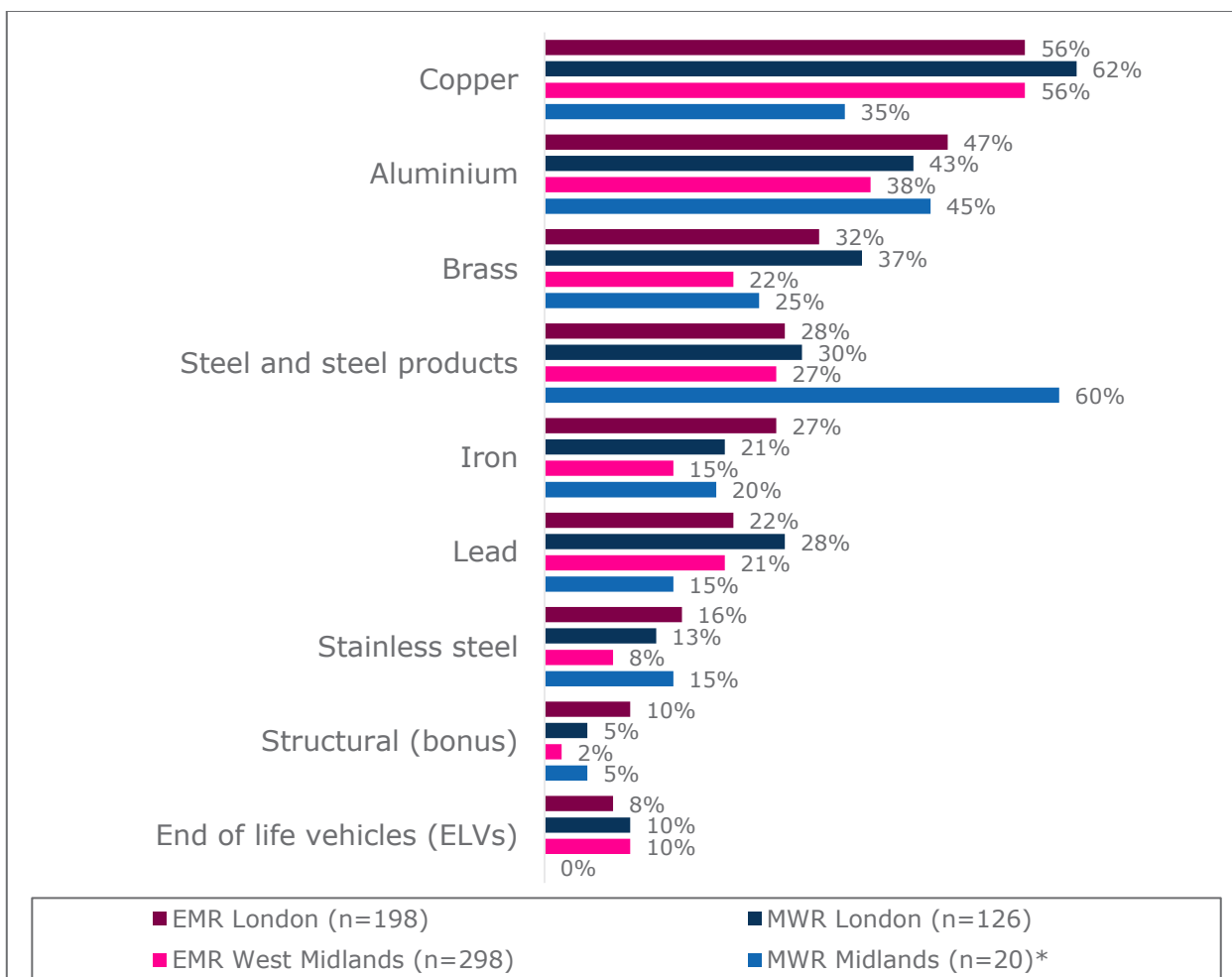
The above data, however, should be treated with caution as some suppliers didn't understand the terms "ferrous" or "non-ferrous" metals.

Respondents were asked to specify which type of ferrous and/or non-ferrous metals they supplied, and the combined responses to these questions indicate that copper and aluminium are most commonly recycled (figure 8).

Figure 8: Types of metal supplied

Base: All respondents who supply either ferrous or non-ferrous metals (642)

NB only categories mentioned by above 4% of respondents are shown

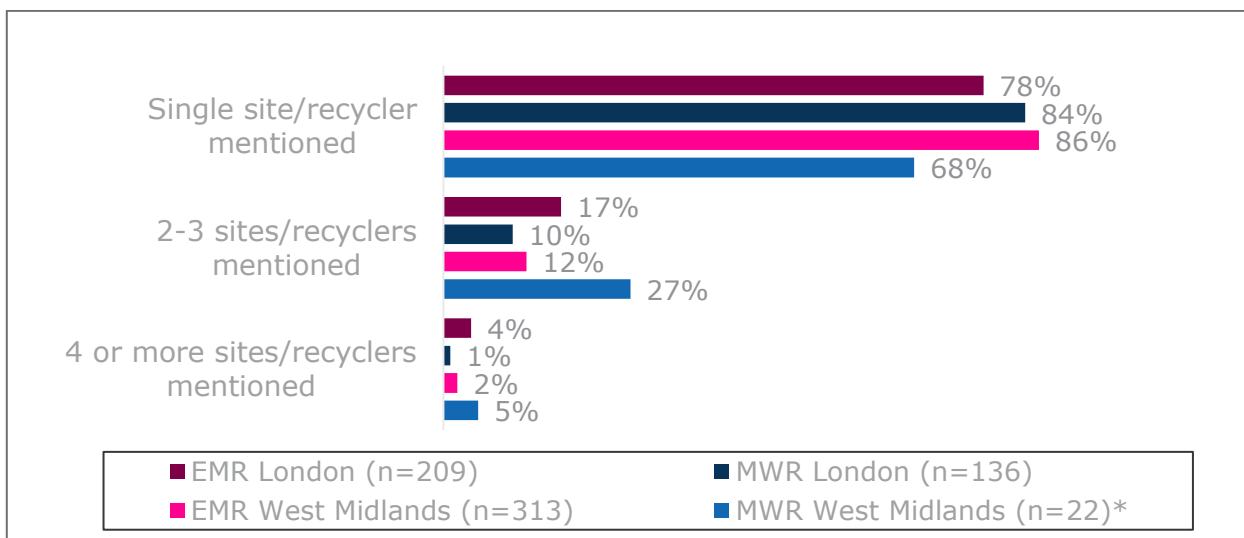


SUM of Q05/Q06: Which types of [ferrous and non-ferrous] metals are these?

Respondents were asked who they had sold waste metal to since the start of 2017. More than four fifths of respondents mentioned a single site to whom they had sold since this time, while a small proportion of suppliers were able to volunteer names of more than 4 sites or recyclers (figure 9).

Figure 9: Who have you sold waste metal to?

Base: All respondents (680)



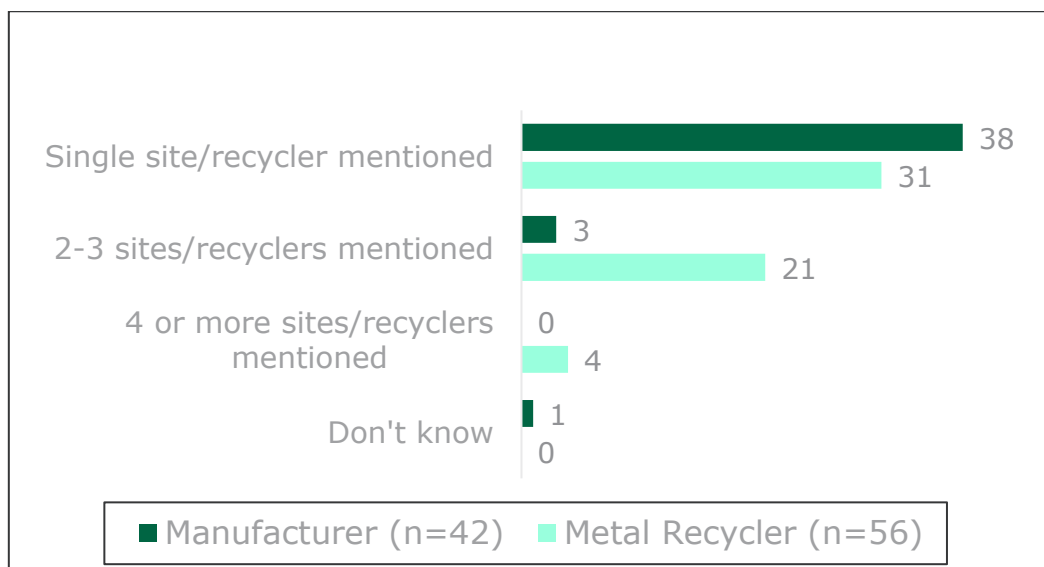
S01: Since the start of 2017 who have you sold waste metal to?

When looking at this same question in terms of metal recyclers and manufacturers specifically, it can be seen that the majority of metal recyclers and manufacturers only mentioned using a single site since the start of 2017. Many more metal recyclers than manufacturers, however, mentioned using 2-3 different sites (figure 10).

Very few suppliers to EMR London (1%) and EMR West Midlands (0%) volunteered that they had sold metal to MWR sites. Only a minority of MWR suppliers suggested that they were using EMR sites (MWR London 9%; MWR West Midlands* 23%).

Figure 10: Who have you sold metal to?

Base: All respondents who are manufacturers or metal recyclers (98)

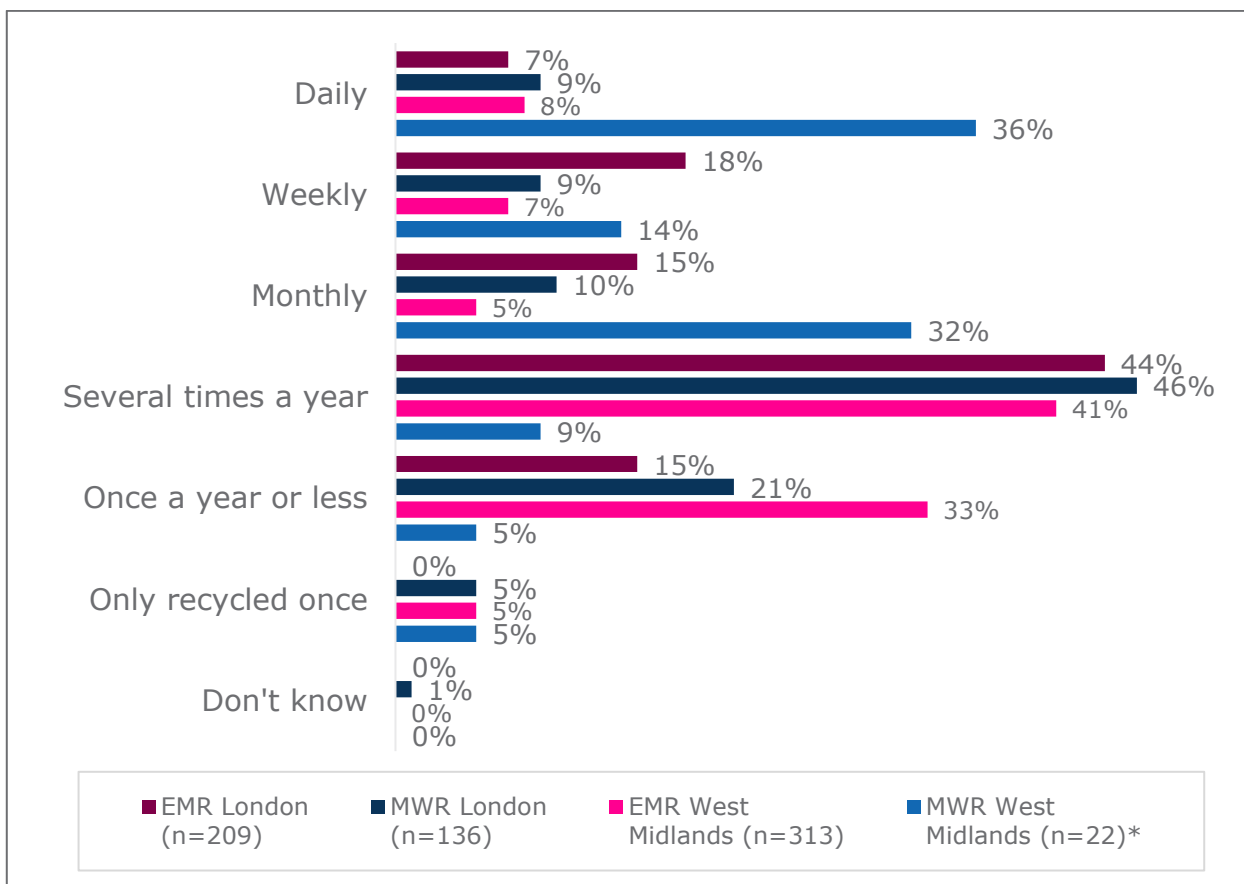


S01: Since the start of 2017 who have you sold waste metal to?

When asked about frequency of recycling, approximately a quarter of all those surveyed stated that they recycled metal monthly or more frequently. Overall, a quarter of suppliers (24%) only recycled metal once a year while about 4% had only ever supplied scrap metal once (figure 11).

Figure 11: Frequency of sending metal to be recycled at any metal recycling site

Base: All respondents (680)

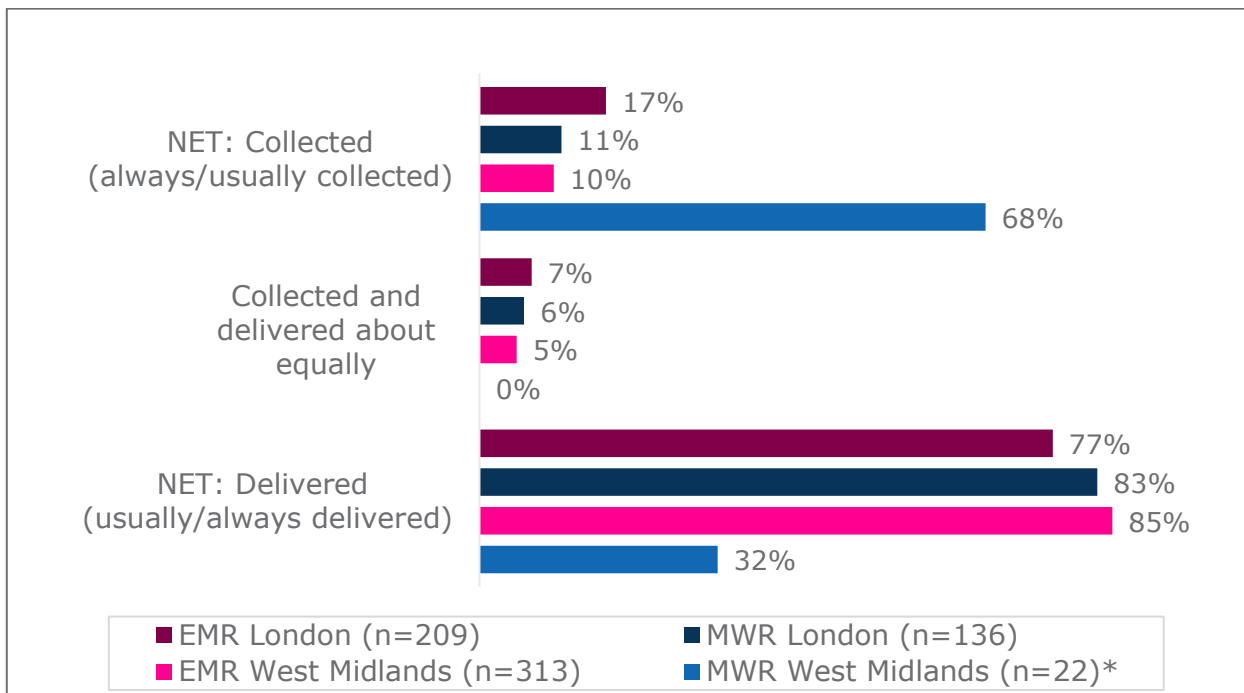


Q07: Which of these best describes how frequently you send metal to be recycled at any metal recycling site?

In terms of delivery or collection of their metal waste, most suppliers said they delivered their waste metal to the recycling site; very few had their metal waste delivered and collected in equal measure (figure 12). 44 percent of manufacturers had metal waste collected. Those supplying more than 5 metric tonnes (30%) were more likely to have metal waste collected than those supplying less than 5 metric tonnes since the start of 2017.

Figure 12: Delivery or collection of metal waste

Base: All respondents (680)



Q08: Thinking of all the times you have supplied metal waste since the start of 2017, has it been collected or delivered to the recycling site?

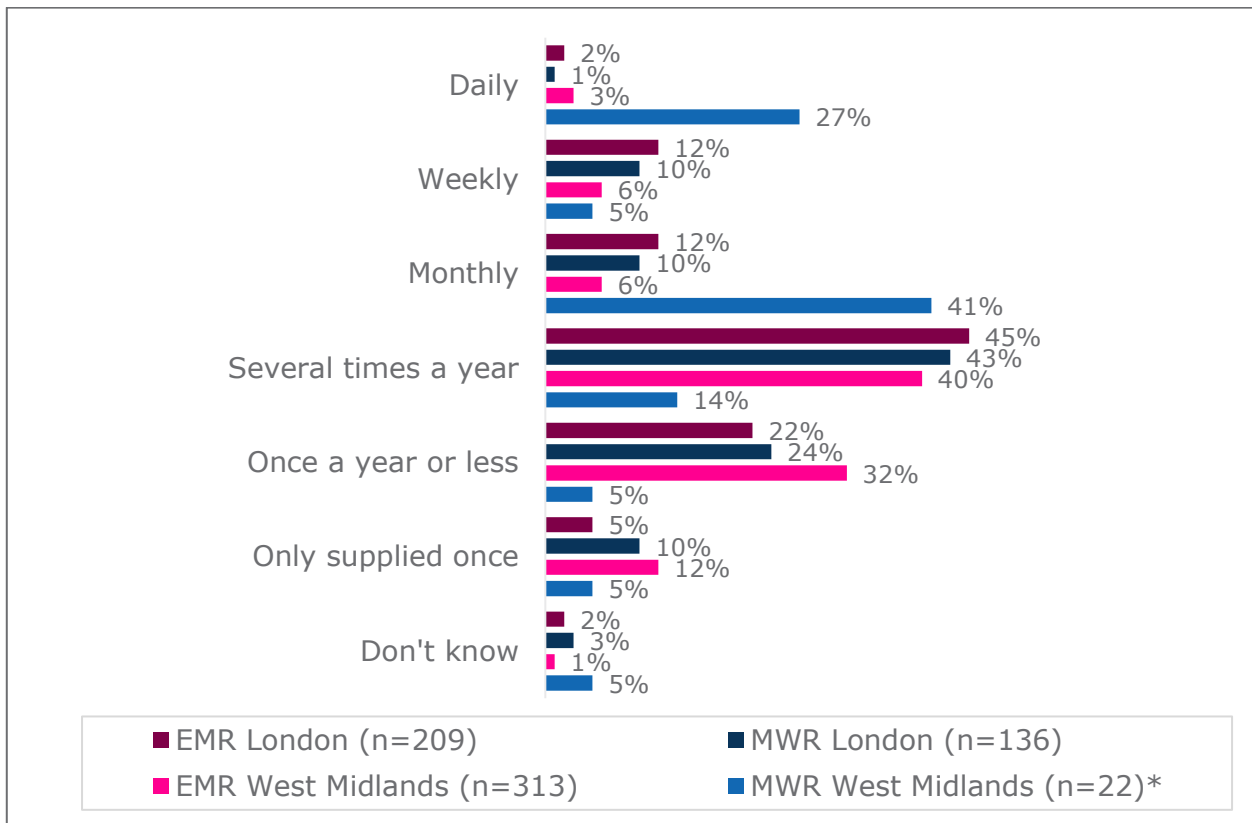
5. Relationship with the focal site

Respondents were asked how frequently they supply waste to the EMR/MWR site. Overall, over two thirds supplied waste to the EMR/MWR site several times a year at most, while just 1 in 5 (21%) supplied waste on a monthly basis or more frequently (figure 13).

The responses to the two questions 'frequency to the EMR/MWR site' and 'frequency of supply in general', indicate that suppliers who supplied more frequently in general, were not supplying exclusively to EMR/MWR sites. A large proportion of suppliers to MWR West Midlands sites were dependent on their relationship with MWR sites.

Figure 13: Frequency of supplying waste to the EMR/MWR site

Base: All respondents (680)

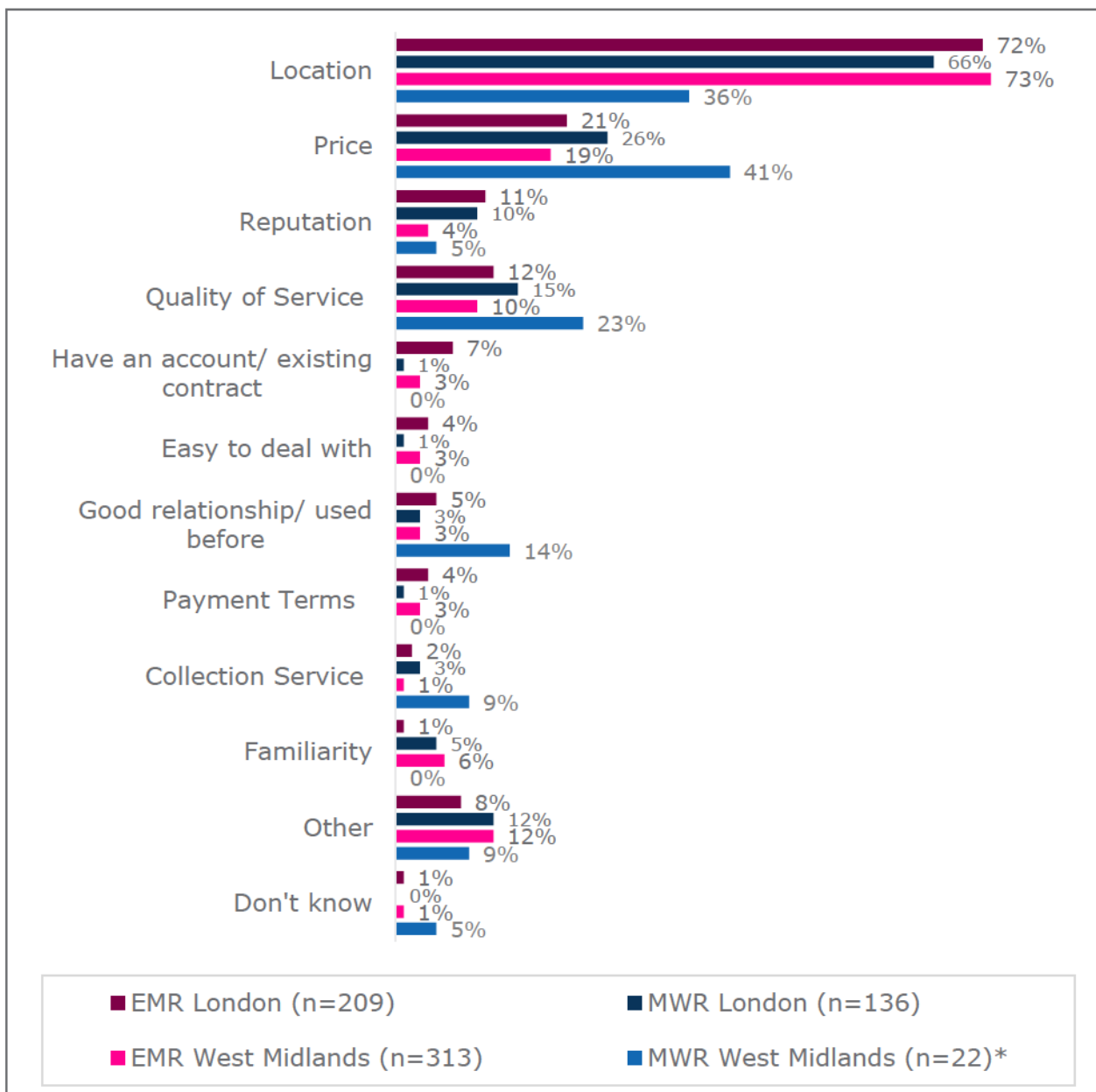


Q10: How frequently do you supply waste to the EMR/ MWR site?

'Convenient location' was the primary reason for selecting the EMR/MWR focal site. Price was also a factor with a fifth of suppliers giving this reason (figure 14). 'Other' reasons included 'convenient opening hours', 'speed of service', 'parking' etc. Price was a more important driver for metal recyclers in particular (41%), and those transacting more than £10,000 (40%) of scrap metal since the start of 2017.

Figure 14: Reasons for choosing the EMR/MWR site rather than any other water recycler

Base: All respondents (680)

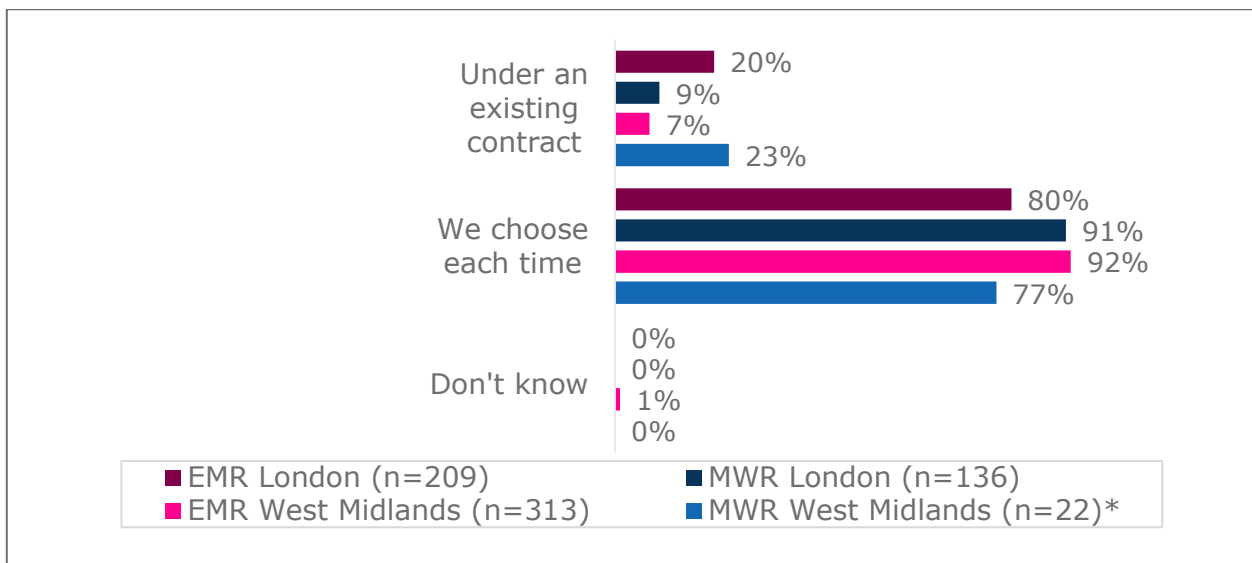


Q11a: Why did you choose to use the EMR/ MWR site rather than any other waste recycler?

The majority of respondents stated that they chose the recycler each time they supplied scrap metal. The minority, around 1 in 10, dealt with EMR/MWR under an existing contract (figure 15). Suppliers who had transacted more than £10,000 worth of scrap metal since the start of 2017 were more likely to have operated under an existing contract (24%), as were manufacturers (27%) and those who had supplied 5 metric tonnes or more since the start of 2017 (22%). In contrast, building/construction trade, trades people and domestic suppliers were all more likely to have chosen EMR/MWR each time they had scrap metal to sell.

Figure 15: Dealing with EMR/MWR under existing contract versus choosing each time

Base: All respondents (680)

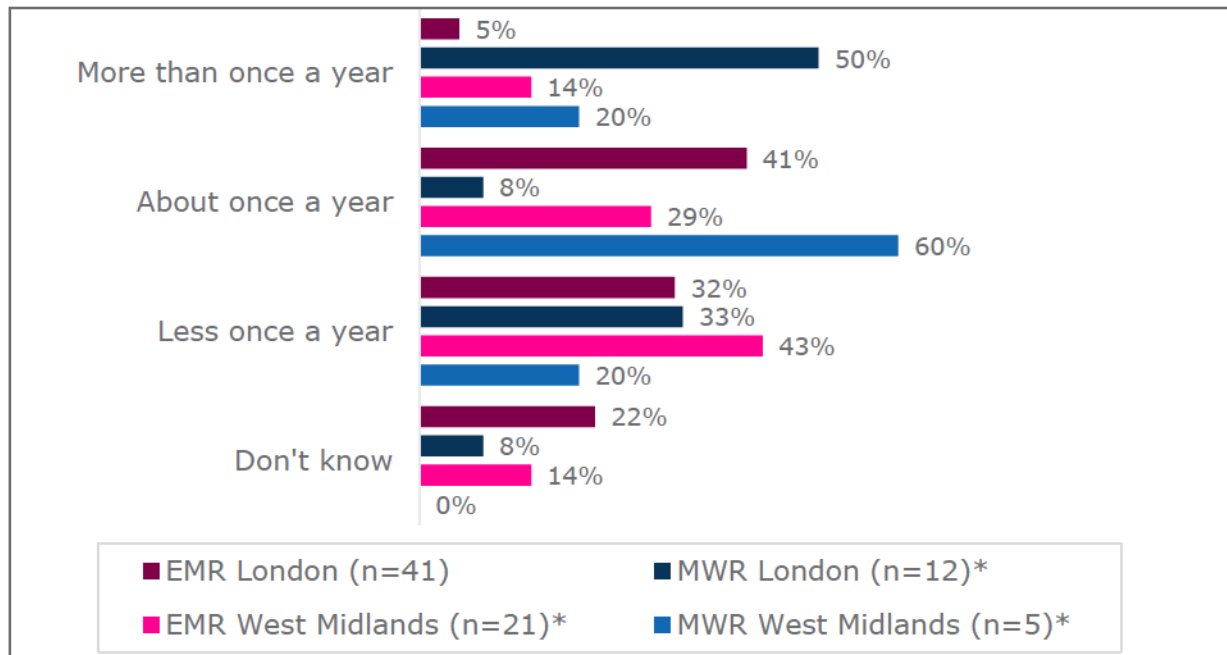


Q11b: Do you deal with EMR/ MWR under an existing contract or do you choose them each time you have scrap metal to sell?

Amongst those who dealt with EMR/MWR under existing contracts, responses were slightly mixed in terms of frequency of contract negotiations. Overall figures indicate, however, that the majority (68%) negotiated contracts once a year or less frequently. Nearly a fifth (17%) stated that they didn't know (figure 16).

Figure 16: Frequency of contract negotiation

Base: All respondents who deal with EMR/MWR under existing contract (79)

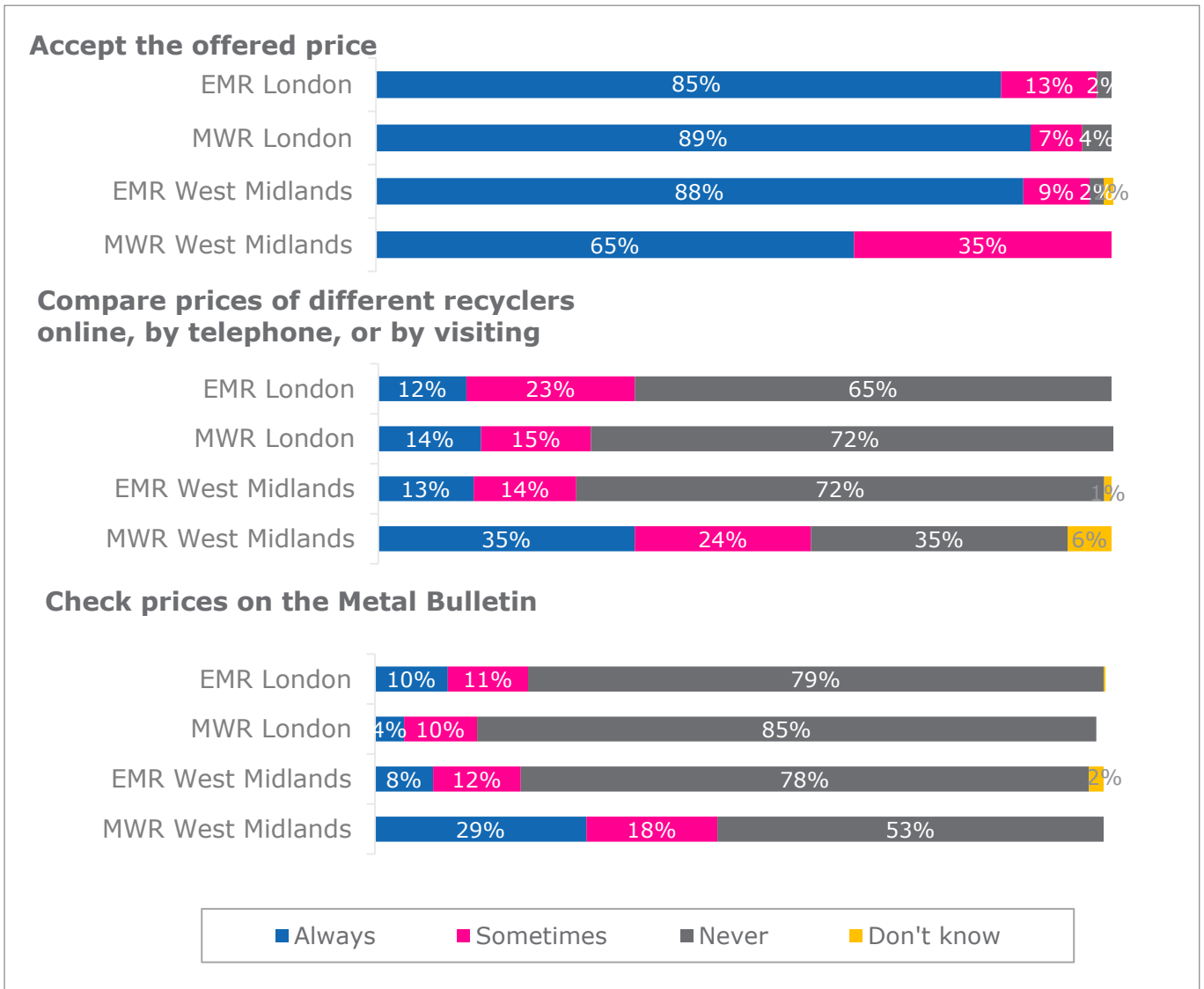


Q12: How often do you negotiate your contract?

Respondents who negotiated the price were asked what, if anything, they did in terms of the price they received for the scrap metal at an EMR/MWR site. The majority of suppliers accepted the offered price. Around a third, however, compared prices of different recyclers, while around a fifth checked prices on the Metal Bulletin (figures 17).

Figure 17: Actions regarding the price received for scrap metal at an EMR/MWR site

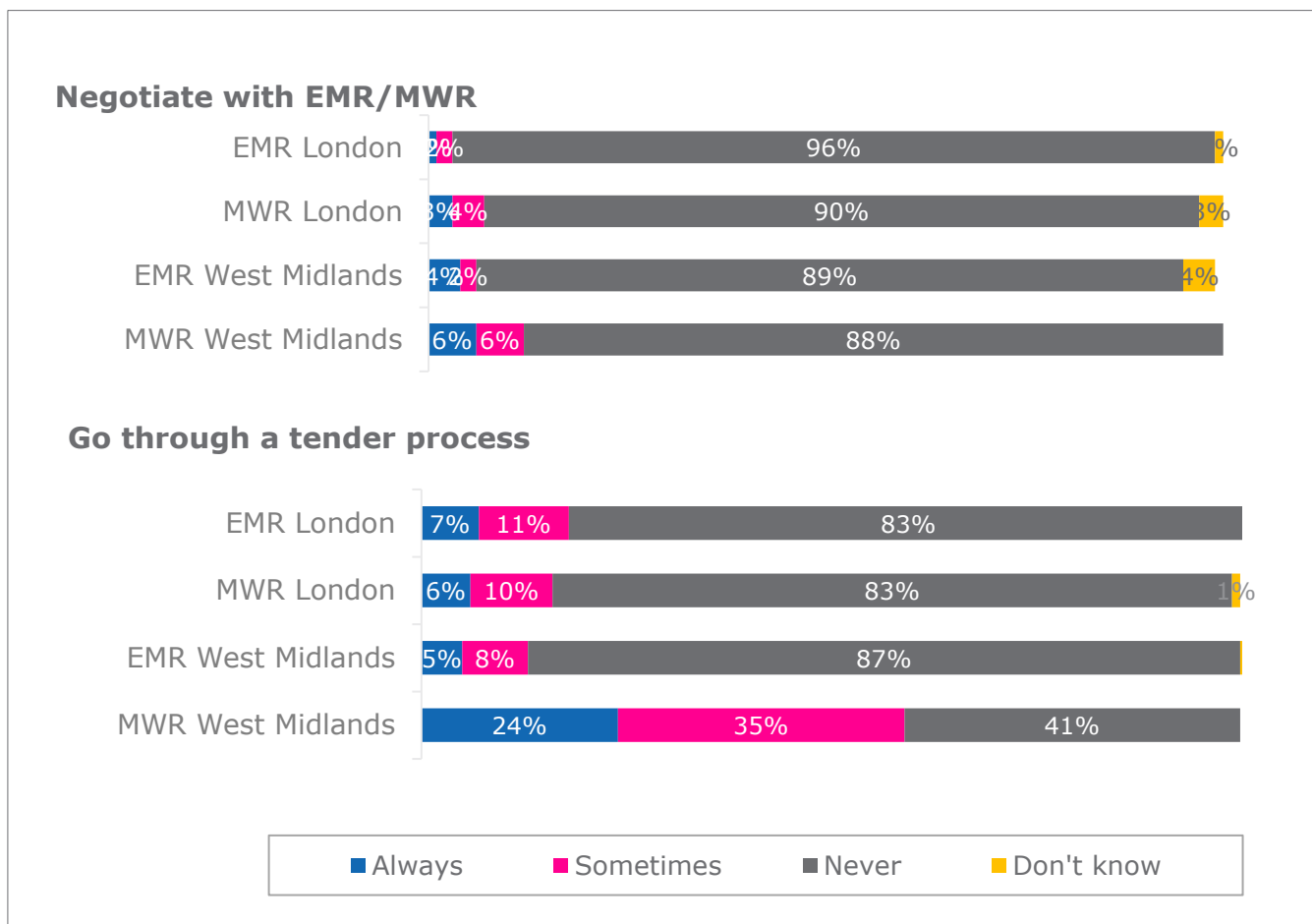
Base: All respondents who choose each time (EMR London n=168; MWR London n=124; EMR West Midlands n=292; MWR West Midlands n=17*)



Q13: Which of the following do you do regarding the price you receive for your scrap metal at EMR/ MWR site?

Figure 17 (continued): Actions regarding the price received for scrap metal at an EMR/MWR site

Base: All respondents who choose each time (EMR London n=168; MWR London n=124; EMR West Midlands n=292; MWR West Midlands n=17*)

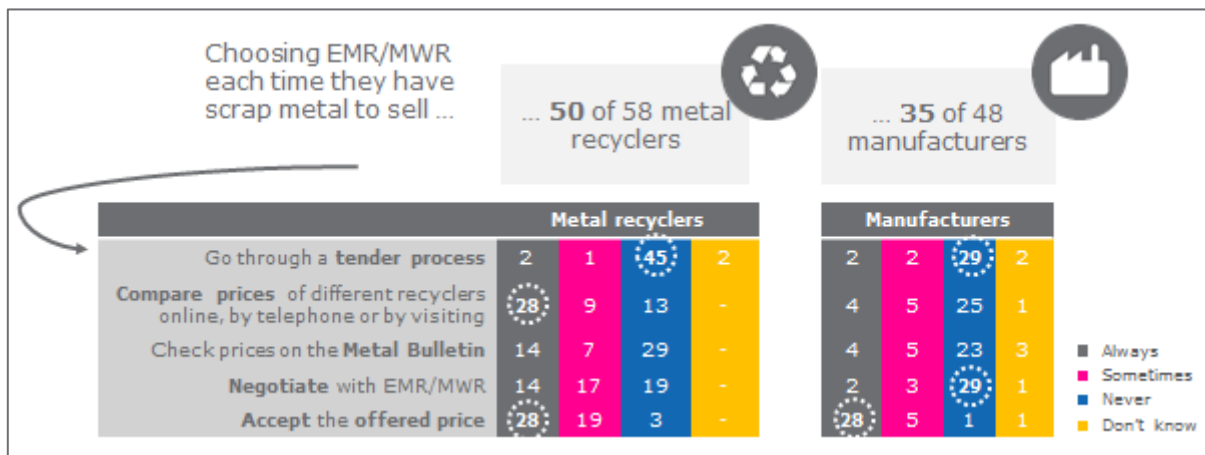


Q13: Which of the following do you do regarding the price you receive for your scrap metal at EMR/ MWR site?

Most metal recyclers and manufacturers did not have a contract with EMR/MWR. They did not go through a tender process, but in the main, accepted the price offered by EMR/MWR (figure 18). 11 recyclers stated that they always compared prices and always accepted the EMR/MWR offer price.

Figure 18: Actions regarding the price received for Scrap Metal at EMR/MWR Site (Metal Recyclers and Manufactures)

Base: All metal recyclers who choose EMR/MWR each time (50) and all manufacturers who choose EMR/MWR each time (35)



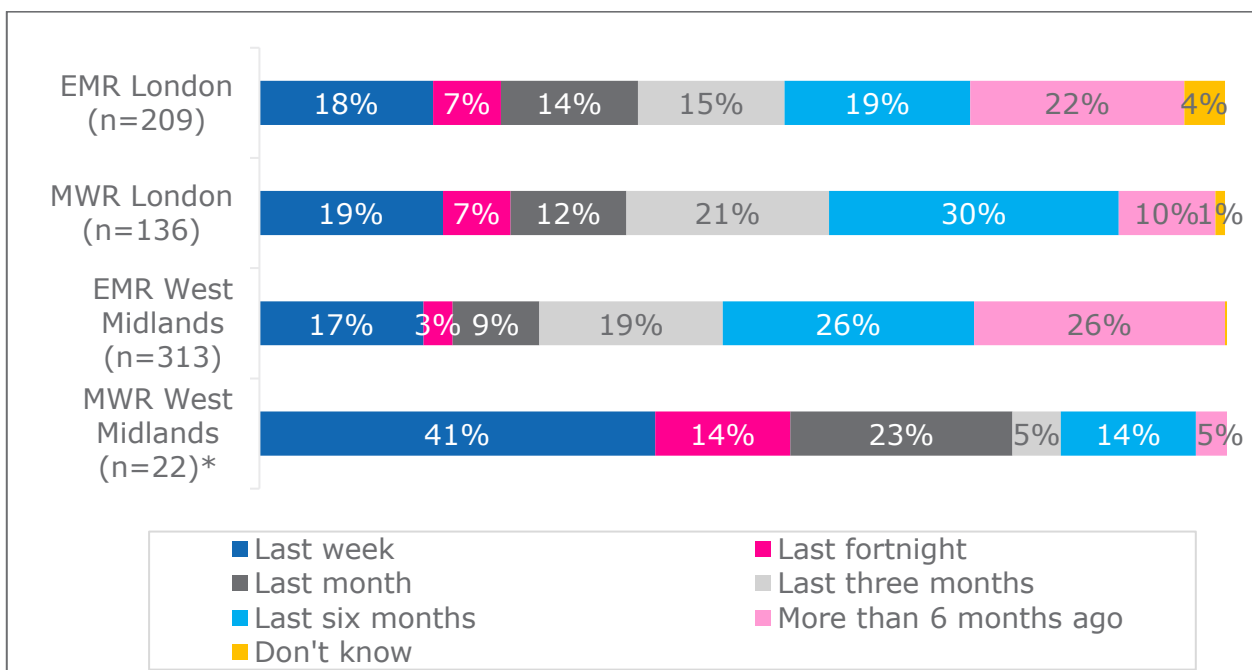
Q13: Which of the following do you do regarding the price you receive for your scrap metal at EMR/ MWR site?

6. Last transaction with the focal site

When asked when suppliers had last used the EMR/MWR focal site to recycle waste metal, the majority of respondents stated that they last used the site within the last 6 months; only around a quarter last used the site more than 6 months ago (figure 19).

Figure 19: Most recent usage of EMR/MWR focal site

Base: All respondents (680)

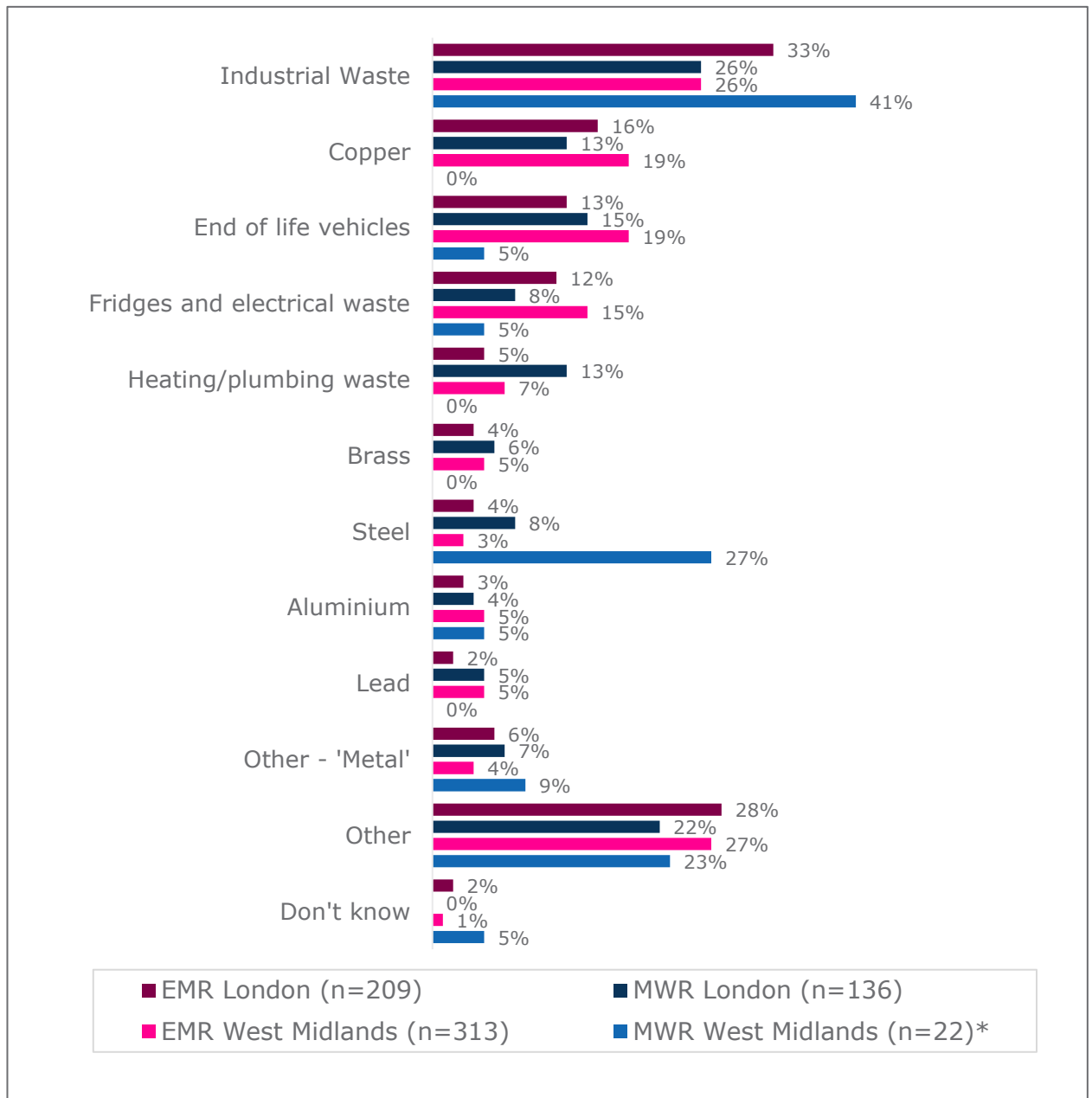


Q14a: When did you last use the EMR/ MWR site to recycle waste metal?

In terms of what was recycled during this most recent visit, suppliers distinguished between a variety of different metal types and categories. Industrial waste was the most common waste included in the last transaction and was mentioned by a quarter of suppliers (figure 20). 'Other' mentions included batteries, household waste, car parts, stainless steel etc.

Figure 20: Types of waste included in most recent visit

Base: All respondents (680)

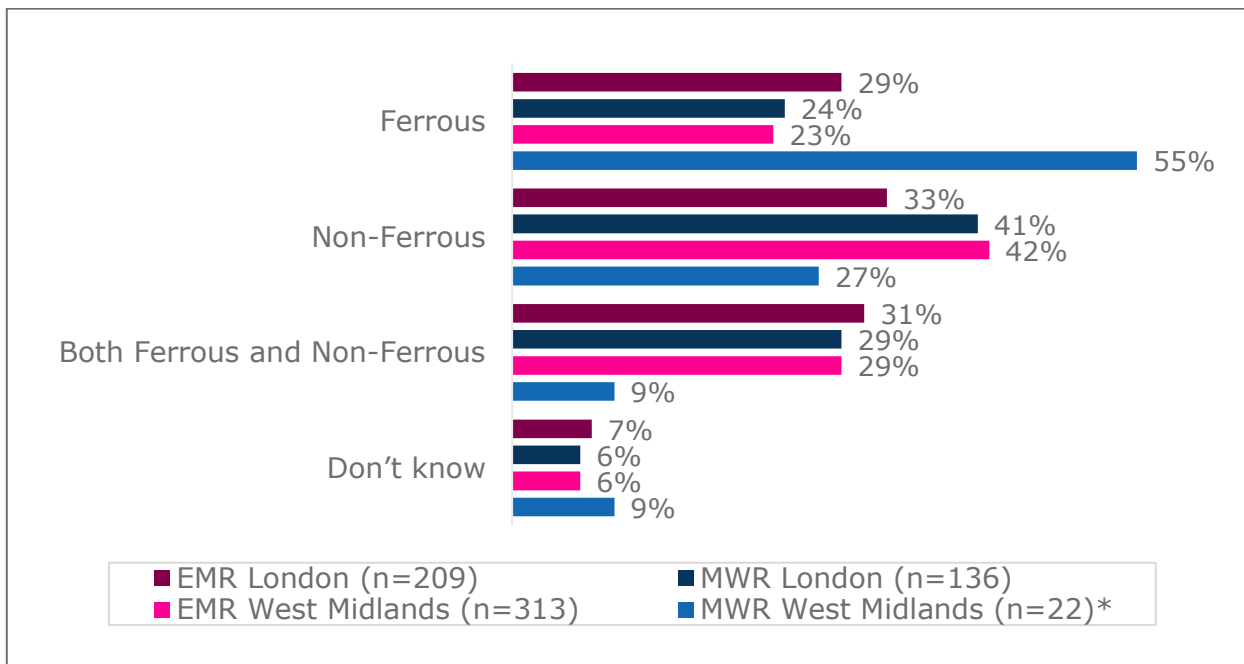


Q15: Thinking of this last occasion, what type of waste did it include?

Regarding the types of metal included in the waste, a similar proportion of suppliers claimed to have supplied both ferrous and non-ferrous metals (figure 21). While only a small proportion of respondents stated that they were unaware of the type of metal they had supplied, previous questions, as seen earlier in the report, indicated a lack of ability to distinguish between metal types.

Figure 21: Types of metal included in the waste

Base: All respondents (680)

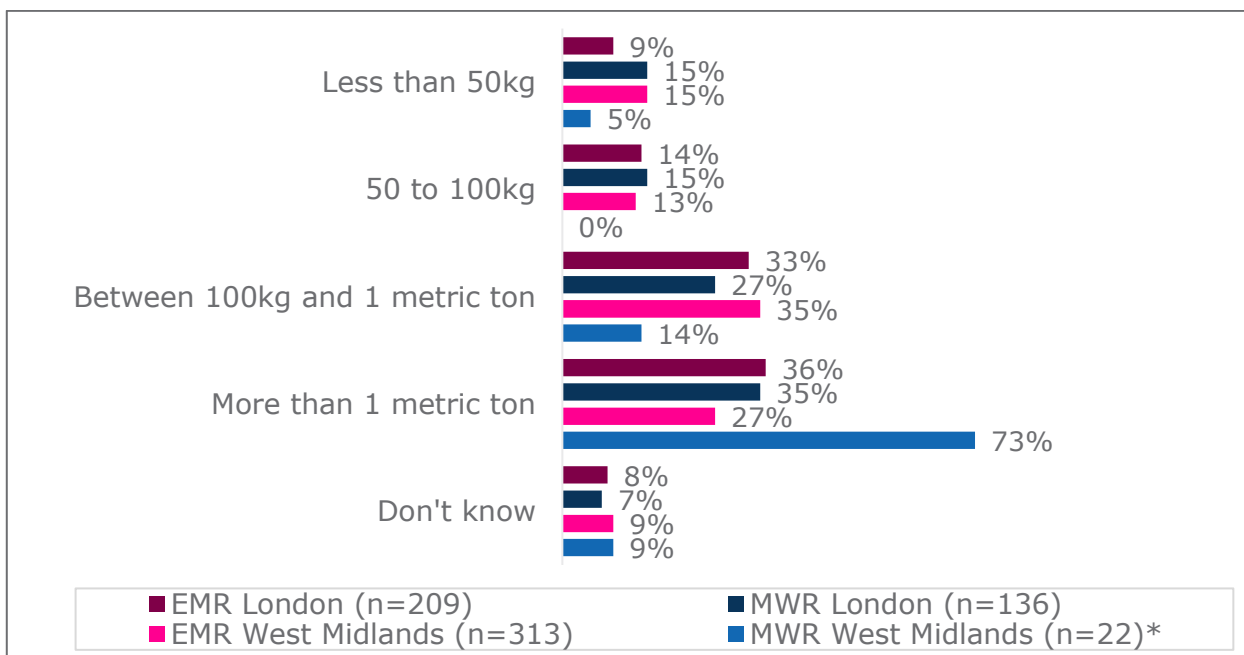


Q16: What type of metals did it include?

When asked about the volume of metal supplied in their most recent transaction, almost two thirds of suppliers supplied more than 100kg in this last transaction (figure 22). Suppliers to MWR West Midlands sites were more likely to have supplied larger volumes of metal in their last transaction with the focal site.

Figure 22: Approximate volume of metal

Base: All respondents (680)



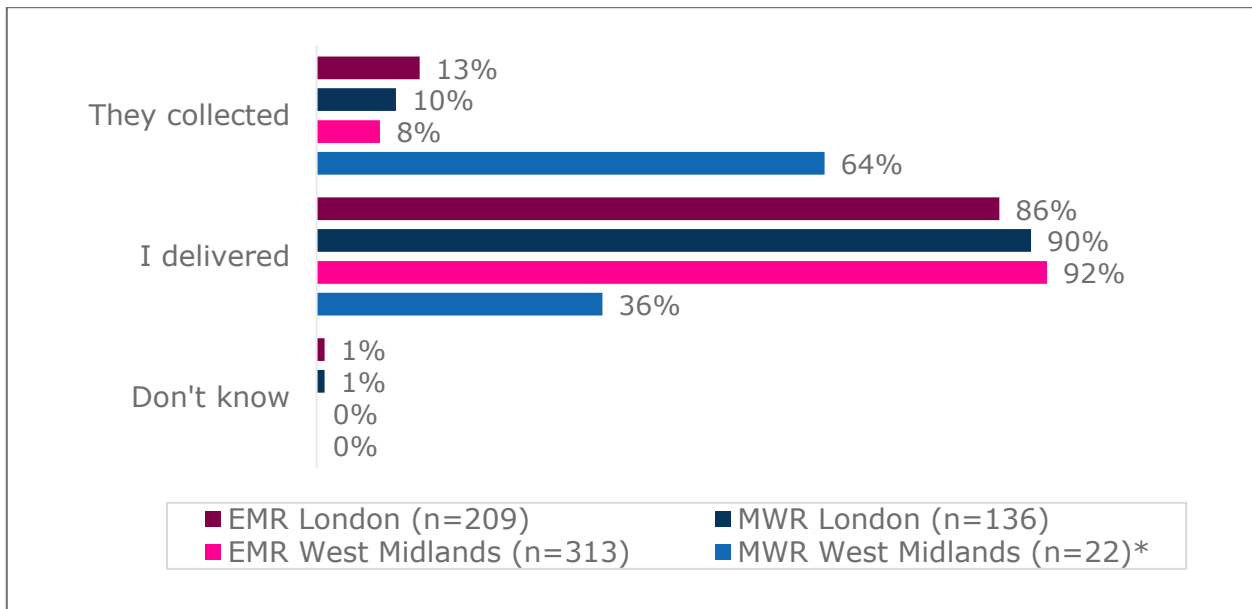
Q17: And what was the approximate volume of metal?

The majority of suppliers stated that they had delivered to the recycling centre for their last transaction (figure 23). Suppliers to MWR West Midlands sites were more likely to have had their metal collected than suppliers to other sites. Additionally, suppliers whose metal had a value of greater than £10,000 since the start of 2017 were more likely to have had their metal collected (38%) than those with scrap metal valued at £10,000 or less since the start of 2017 (6%).

The mean distance from recycling site to point of collection was 43km (based on 62 valid postcodes provided by 62 suppliers) for selected suppliers who had their waste metal collected in the last transaction with the focal site. The median was lower at 10.5km due to 7 outliers with collection points over 100km in distance from the focal recycling site, 5 of which were in East Anglia.

Figure 23: Collection or delivery of waste

Base: All respondents (680)



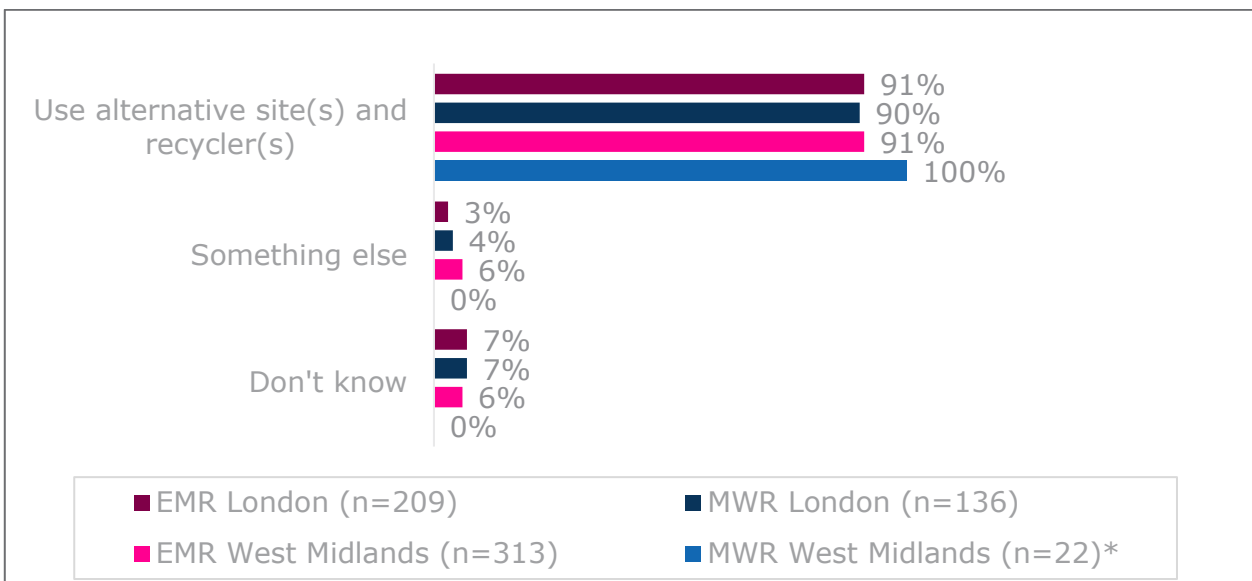
Q18a: Still thinking of this last occasion, did EMR/ MWR collect your waste from you, or did you deliver it?

7. Considerations in the case of site closure

When asked what suppliers would do if their focal site closed down, the overwhelming majority of suppliers said that they would have used an alternative site (figure 24).

Figure 24: Action taken if focal site closed down

Base: All respondents (680)



Q19: Now, I would like you to think of the last time you used the <<EMR/MWR>> site to recycle metal. If the <<EMR/ MWR>> site has closed down, what would you have done instead?

In the main, suppliers would have recycled their scrap metal with an unknown party, or a named 3rd party other than EMR or MWR (table 5).

Table 5: Diversion action if focal site closed down

Base: All respondents using an alternative site/recycler (624)

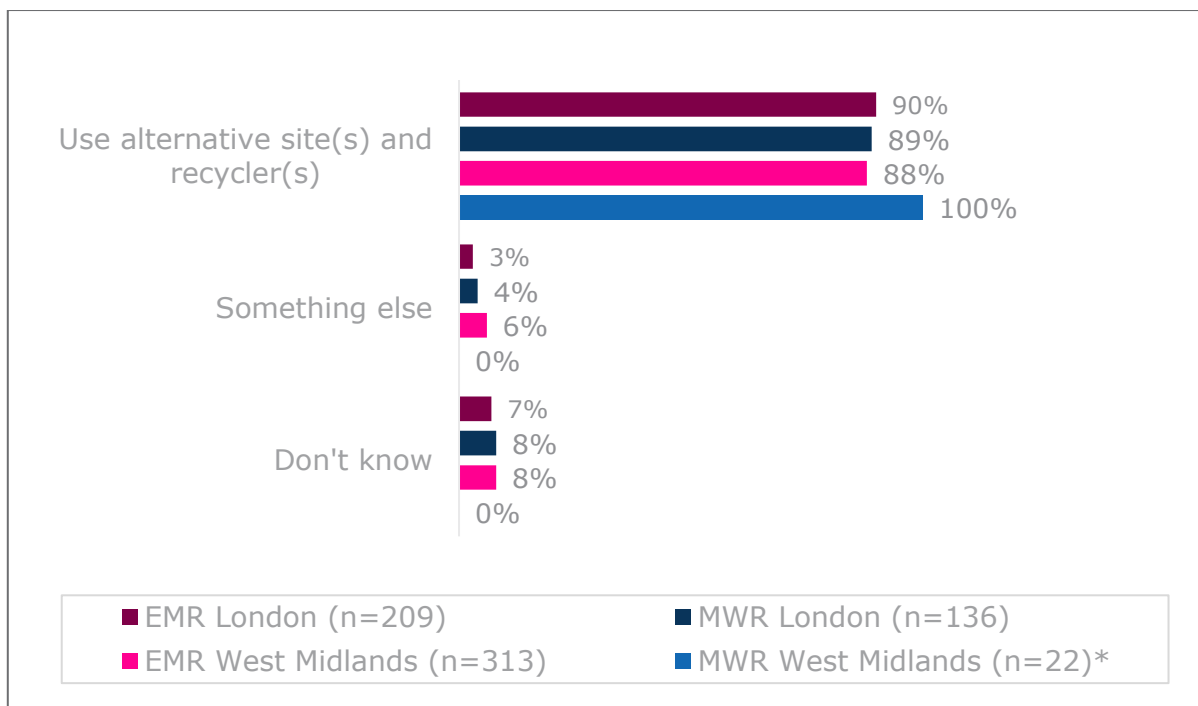
# Suppliers	... within same party	... to merger party	... to named 3 rd party	... to unknown party
191	33 (17%)	0	75 (39%)	100 (52%)
123	4 (3%)	10 (8%)	44 (36%)	75 (61%)
288	48 (17%)	1 (neg)	99 (34%)	148 (51%)
22*	1 (5%)	5 (23%)	8 (36%)	8 (36%)

Q20: And which site(s) or recycler(s) would you have used?

Had all EMR or MWR sites closed down, most suppliers would have used an alternative site (figure 25). More than 1 in 10 suppliers to MWR London and EMR West Midlands would not have known what to do, or would have done something other than using an alternative site.

Figure 25: Action taken if ALL EMR/MWR sites closed down

Base: All respondents who would use an alternative EMR or MWR site (680)



SUM of Q19/Q21: And, again, thinking about the last occasion, what would you have done instead if ALL <<EMR/ MWR>> sites had closed down?

In the main, suppliers would have recycled their scrap metal with an unknown party, or a named 3rd party rather than the merger party (table 6).

Table 6: Diversion action if ALL EMR/MWR sites closed down

Base: All respondents using an alternative site/recycler (604)

# Suppliers	...to merger party	...to named 3 rd party	...to unknown party
188	2 (2%)	79 (42%)	113 (60%)
121	11 (9%)	46 (38%)	78 (64%)
274	2 (1%)	111 (41%)	158 (58%)
22*	5 (23%)	10 (45%)	11 (50%)

SUM of Q20b/Q22b: And which site or recycler would you have used?

In terms of competitor recycling sites, recyclers deemed to be competitors by the Parties could often not have been used by suppliers (table 7). Competitor sites such as Sims, based in Nottingham or Avonmouth, were in particular unlikely to be used by suppliers with EMR/MWR focal sites in the West Midlands.

Table 7: Competitors in London / West Midlands

Base: All respondents (680)

COMPETITORS IN LONDON	Yes	No	COMPETITORS IN THE WEST MIDLANDS	Yes	No
Ampthill (n=114)	34%	66%	One Stop Recycling (n=257)	16%	82%
Beaver Metals (n=137)	26%	72%	Sims (Nottingham) (n=240)	7%	93%
H Ripley and Co (n=126)	11%	85%	Sims (Smethwick) (n=317)	20%	78%
Nortons/ S Nortons (n=150)	17%	80%	Sims (Avonmouth) (n=151)	7%	93%
The Remet Company (n=121)	20%	79%	Donald Ward/ Wards Recycling (n=318)	12%	84%
Sackers (n=133)	7%	93%	Enablelink (n=328)	10%	86%

Q23b: Several other competitors work in this area. Could you have used <<insert site >> instead?

Metal recyclers and manufacturers allocated to MWR sites were more likely to consider EMR as an alternative recycler than metal recyclers and manufacturers supplying to EMR sites were to consider MWR as an alternative (table 8).

Table 8: Usage of competitor sites

Base: Respondents allocated to other Party's sites (625)

COULD EMR HAVE BEEN USED?	Yes	No	COULD MWR HAVE BEEN USED?	Yes	No
MWR London (n=108)	44%	54%	EMR London (n=173)	16%	79%
MWR West Midlands (n=15)	80%	20%	EMR West Midlands (n=251)	16%	82%
MWR Metal Recyclers (n=18)	44%	56%	EMR Metal Recyclers (n=30)	17%	83%
MWR Manufacturers (n=13)	62%	38%	EMR Manufacturers (n=17)	24%	71%

Q23b: Several other competitors work in this area. Could you have used EMR/MWR instead?

The key reason for not using selected competitors in London was a lack of awareness. In many instances, the competitors were simply too far away to be considered a viable alternative (table 9).

Table 9: Reasons given for not using a competitor (London)

Base: All respondents who would not have used an alternative company

NB Competitors with bases over 70 shown

COMPETITORS IN LONDON	Amphill (n=75)	Beaver Metals (n=99)	H Ripley and Co (n=107)	Nortons / S Nortons (n=120)	The Remet Company (n=95)	Sackers (n=124)
Never heard of them	60%	77%	60%	61%	73%	65%
Too far	28%	14%	31%	30%	21%	32%
Don't know enough of them	0%	2%	0%	2%	2%	1%
Poor price	1%	1%	4%	3%	0%	1%
Poor service	0%	0%	1%	1%	0%	0%
Too difficult to get to	1%	0%	1%	0%	1%	2%

Q24: Why would you not have used the following companies?

Regarding West Midlands sites, the key reason for not using selected competitors in the West Midlands was again a lack of awareness, and as with London, in many instances, the competitors were simply too far away to be considered a viable alternative (table 10).

Table 10: Reasons given for not using a competitor (West Midlands)

Base: All respondents who would not have used an alternative company

NB Competitors with bases over 100 shown

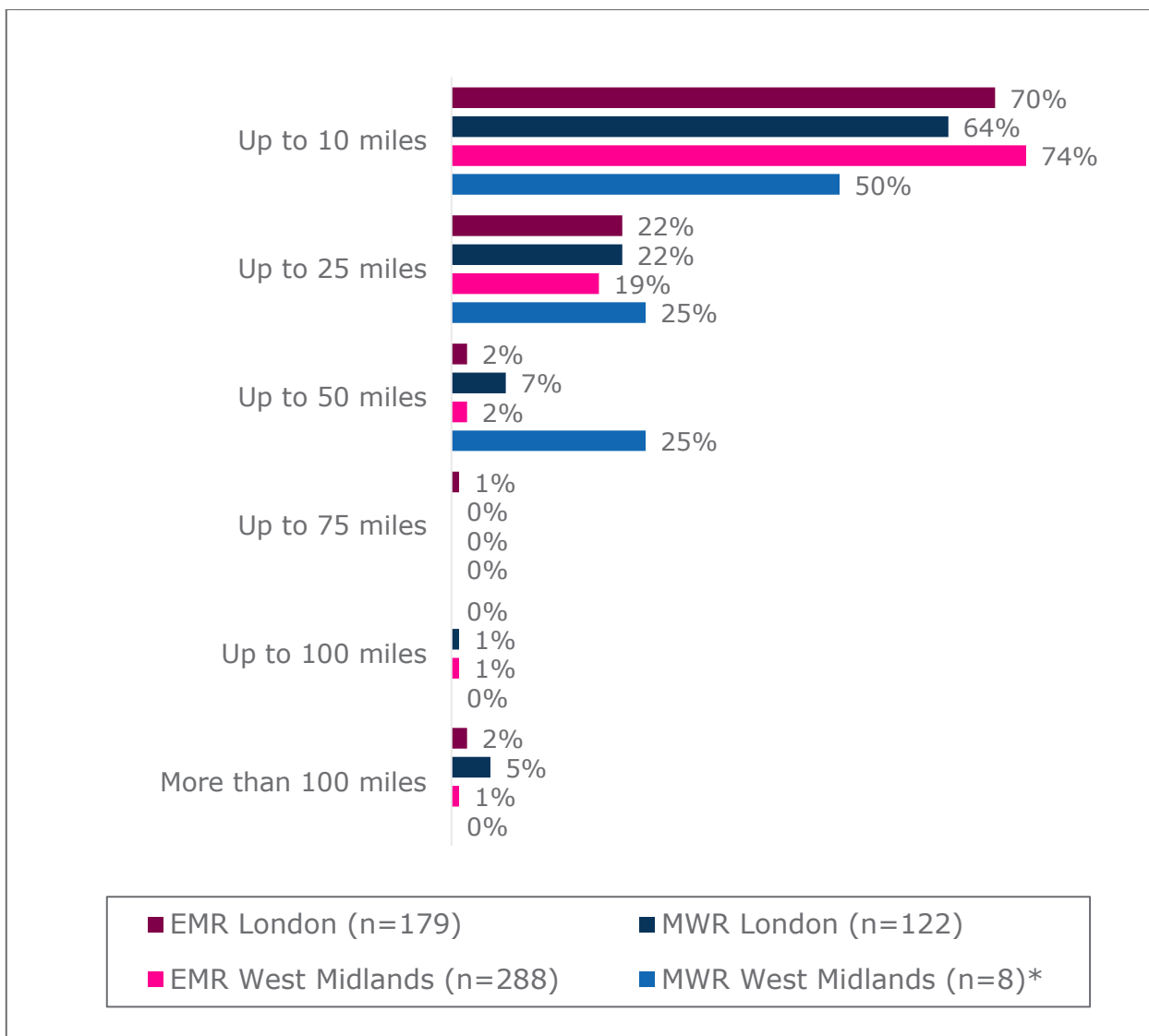
COMPETITORS IN THE WEST MIDLANDS	One Stop Recycling (n=210)	Sims (Nottingham) (n=222)	Sims (Smethwick) (n=247)	Sims (Avonmouth) (n=141)	Donald Ward/ Wards Recycling (n=269)	Enablelink (n=282)
Never heard of them	77%	55%	62%	60%	74%	79%
Too far	19%	43%	35%	37%	20%	15%
Don't know enough of them	2%	1%	1%	2%	3%	2%
Too difficult to get to	0%	0%	1%	2%	0%	neg
Poor price	0%	1%	1%	1%	0%	neg

Q24: Why would you not have used the following companies?

When asked how far they would be willing to travel to deliver metal, more than two thirds of suppliers would not be willing to travel further than 10 miles. A further fifth of suppliers would be willing to travel 25 miles at most (figure 26).

Figure 26: Distance suppliers are willing to travel to deliver metal

Base: All respondents who deliver metal (597)



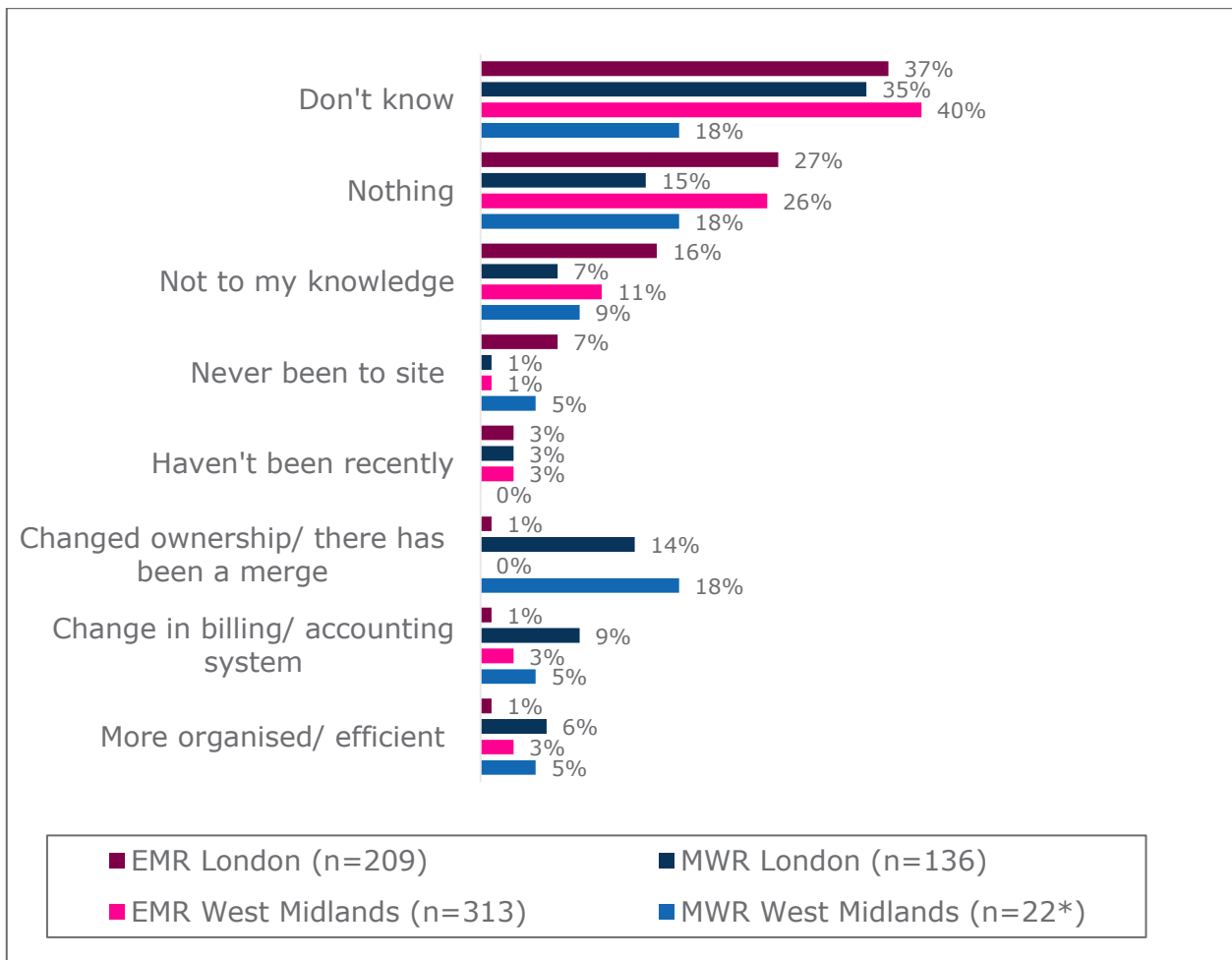
Q25: How far would you have been willing to travel to deliver the metal?

8. Views of the acquisition

When asked about what, if anything, had changed about the EMR/MWR site since August 2017, over a third of suppliers were unsure if there had been a change in their EMR/MWR site since that date. A further quarter (25%) had not noticed any change (figure 27).

Figure 27: Changes noted in the EMR/MWR site since August 2017

Base: All respondents (680)

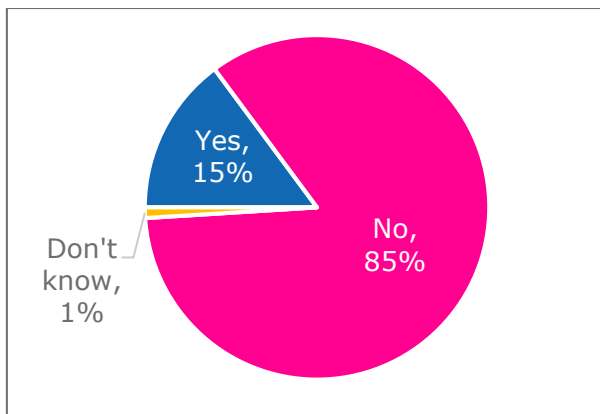


Q26 What, if anything, has changed about the EMR/ MWR site since August 2017?

When asked if they were aware that EMR had recently acquired MWR, the majority of suppliers were unaware that this had taken place, with over four fifths overall (85%) stating that they had not been aware (figure 27).

Figure 27: Awareness of the acquisition

Base: All respondents (680)

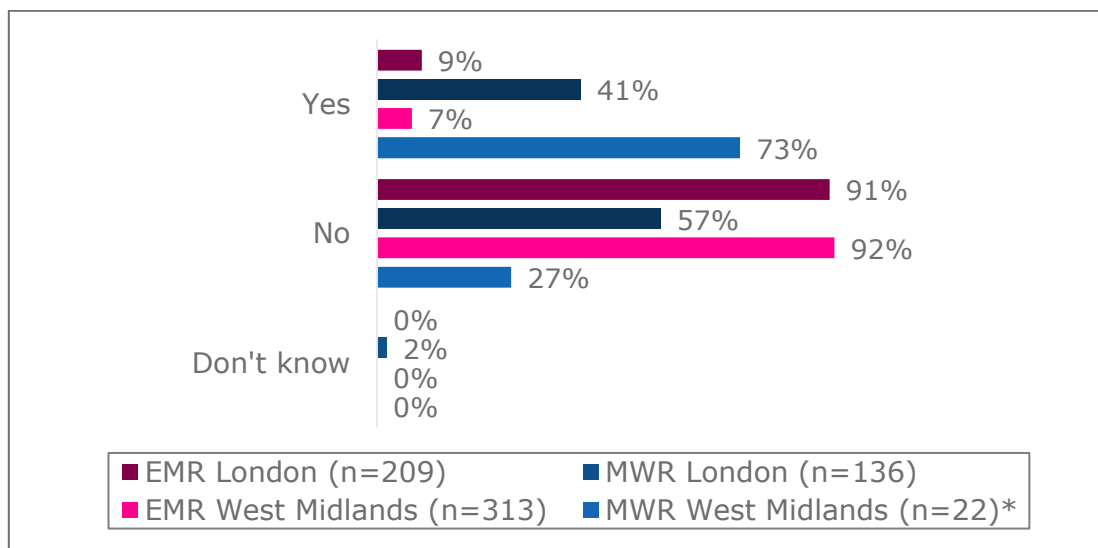


Q27a: Are you aware that European Metal Recycling (EMR) has recently acquired Metal Waste Recycling (MWR)?

Indicatively, suppliers who used MWR sites were more likely to be aware than those who used EMR sites (figure 28).

Figure 28: Awareness of the acquisition

Base: All respondents (680)

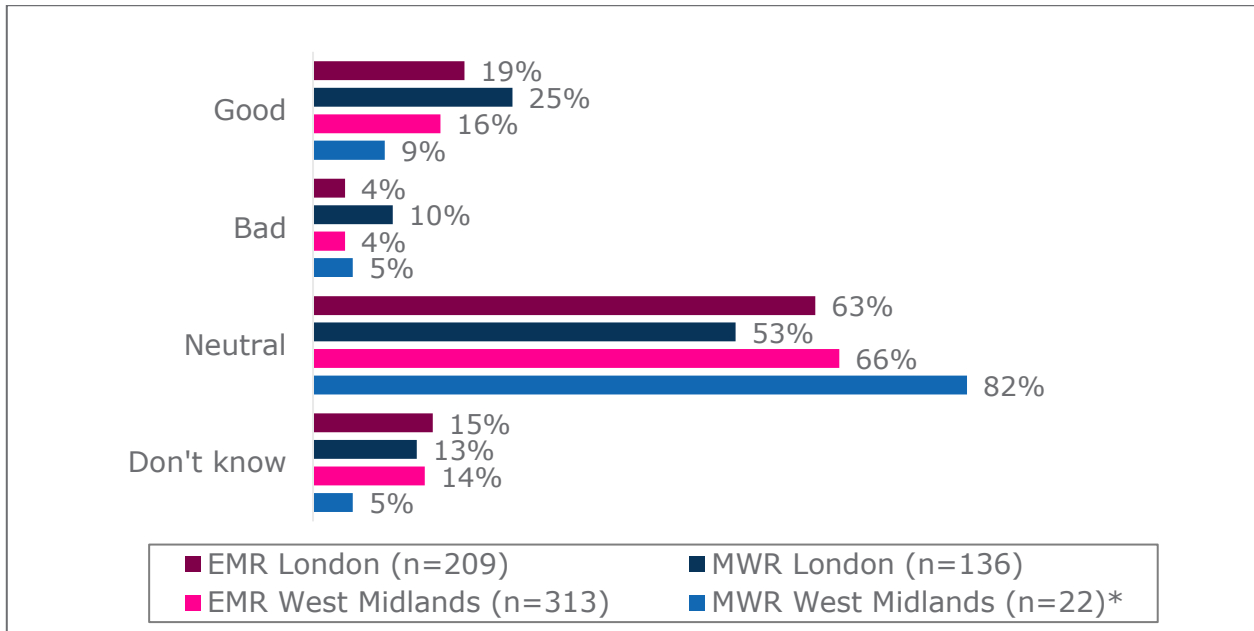


Q27a: Are you aware that European Metal Recycling (EMR) has recently acquired Metal Waste Recycling (MWR)?

In terms of the perceived effect of this acquisition, the response of suppliers was broadly neutral (figure 29).

Figure 29: Perceived impact on business

Base: All respondents (680)



Q27b Thinking about your business, would you expect this to have a good, bad or neutral effect?

When asked why they had given their chosen response, several suppliers felt that they were too small to be affected as they only recycled scrap metal rarely:

"It's not going to affect us; the recycling was a one off."

"I go there once a year with a small load, it won't make any difference."

"I think they'll just carry on trading as they are."

9. Appendix

Appendix – Questionnaire

Questionnaire: Waste Metal Survey

Client name:	CMA
Project name:	EMW-MWR Acquisition
Job number:	5015
Methodology:	CATI
Version	13

Notes on this document

- Instructions in **CAPS** are for computer programming
- Instructions in *italics* are for telephone interviewers
- **Bold** or underlined words are for emphasis within a question
- Different question types have different numbers:
 - Screener questions are labelled S01, S02, S03 etc.
 - Main survey questions are labelled Q01, Q02, Q03 etc.
 - Further demographic / classification questions are labelled C01, C02, C03 etc.
 - Number codes are included on each question for data processing purposes

INTRODUCTION

Good morning. My name is... I am calling from DJS Research, an independent research company and we are working on behalf of the Competition and Markets Authority, the CMA, a government body. We are carrying out a survey about waste metal recycling on behalf of the CMA. Could I speak to the person who decides which metal recycler to use?

When transferred to the right person:

Good morning/ afternoon. My name is... I am calling from DJS Research, an independent research company and we are working on behalf of the Competition and Markets Authority, the CMA, a government body. We are carrying out a survey about waste metal recycling on behalf of the CMA and we have been given your details by <EMR/MWR>. Would you be able to spare 15 minutes either now or at a better time to help with this market study for the CMA?

IF YES, CONTINUE OR ARRANGE TIME TO CALL BACK

IF NO, THANK & CLOSE

Before we start I need to read out a brief legal statement telling you what happens to the information we have.

As I said earlier we have been given your details by <EMR/MWR>.

DJS and the CMA will use this information only for the purpose of this research. Your details will be transferred and stored securely at all times, and DJS and the CMA will maintain strict confidentiality, in line with the Data Protection Act (1998). <EMR/MWR> will not know who has taken part in the survey. It will not be possible to identify individual respondents or their business in any of the survey results that are made public by the CMA

Are you still ok to go ahead?

All respondents:

CATI – INTERVIEWER READ OUT: All interviews will be recorded for training and quality purposes.

SCREENER**S00.****All respondents**

First, can I just check if in the last three weeks you have participated in a telephone survey commissioned by the Competition and Markets Authority (CMA) about the scrap metal you recycle?

Code	Answer list	Scripting notes	Routing
1	Yes, have participated in a survey		THANK & CLOSE
2	No, have not participated in a survey		CONTINUE

S01.**All respondents**

Since the start of 2017, who have you sold waste metal to?

MULTI-CODE, RANDOMISE

Unprompted, do not read out

Code	Answer list	Scripting notes	Routing
1			
87	Other (<i>specify</i>)	OPEN	
85	Don't know (<i>do not read out</i>)		

S02.**All respondents who don't use a focal site/ party (Q01:3)**

Have you sold any metal waste to <<EMR/ MWR site>> since the start of 2017?

Code	Answer list	Scripting notes	Routing
1	Yes		CONTINUE
2	No		THANK & CLOSE
85	Don't know (<i>do not read out</i>)		THANK & CLOSE

USE OF RECYCLERS

Q01.

All respondents

Which of the following best describes the nature of your business?

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Building/ Construction		
2	Car Breakers		
3	Demolition		
4	Metal Recycler		
5	Manufacturer		
6	Transport		
7	Trades Person		
8	Retailer		
9	Domestic/ Business Waste Services		
86	Other (<i>do not read out</i>)	OPEN	

Q01a.

All respondents

Does your business do any processing of scrap metal?

SINGLE CODE

Don't read out

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
85	Don't know (<i>do not read out</i>)		

Q01b.**All respondents coding Q01a/1 or Q01a/85**

Do you have any of the following?

GRID QUESTION, RANDOMISE STATEMENTS

Read out

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	
85	Don't know (<i>do not read out</i>)	-	

Response number	Code	Scripting notes	Routing
1	Weigh Bridge		
2	Shredder		
3	Baler		
4	Shears		
5	Granulator		

Q02.**All respondents**

How many employees, including yourself, work in the business?

SINGLE CODE

Do not read out unless don't know

Code	Answer list	Scripting notes	Routing
1	1 - 4		
2	5 - 9		
3	10 - 19		
4	20 - 49		
5	50 - 249		
6	250 or more		
85	Don't know (<i>do not read out</i>)		

Q03.**All respondents**

From how many sites do you generate waste metal?

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	A single site		
2	More than one site, but no more than five		
3	More than five sites		
85	Don't know (<i>do not read out</i>)		

Q04.**All respondents**

Which of the following types of waste metal do you produce/ supply? Is it:

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Ferrous		Q05
2	Non-Ferrous		Q06
3	Both Ferrous and Non Ferrous		Q05
85	Don't know (<i>do not read out</i>)		Q07

Q05.**All respondents who produce or supply ferrous metals (Q04: 1, 3)**

Which types of ferrous metals are these?

MULTI CODE

Do not read out

Code	Answer list	Scripting notes	Routing
1	Heavy melting scrap (HMS)		
2	Structural (bonus)		
3	Light iron		
4	End of life vehicles (ELVs)		
5	Large domestic appliances (LDAs)		
6	New production (industrial sources), including 4s (thin), 12s (thick, turnings, borings)		
85	Don't know (<i>do not read out</i>)		
87	Other (<i>Specify</i>)	OPEN, FIXED	

Q06.**All respondents who produce or supply non-ferrous metals (Q04: 2, 3)**

Which types of non-ferrous metals are these?

MULTI CODE*Do not read out*

Code	Answer list	Scripting notes	Routing
1	Aluminium		
2	Copper		
3	Lead		
4	Zinc		
5	Nickel		
6	Titanium		
7	Cobalt		
8	Chromium		
9	Precious Metals		
10	Brass		
85	Don't know (<i>do not read out</i>)		
87	Other (<i>Specify</i>)	OPEN, FIXED	

Q07.**All respondents**Which of these best describes how frequently you send metal to be recycled at **any** metal recycling site?**SINGLE CODE, ORDERED***Read out*

Code	Answer list	Scripting notes	Routing
1	Daily		
2	Weekly		
3	Monthly		
4	Several times a year		
5	Once a year or less		
6	Only recycled once		
85	Don't know (<i>do not read out</i>)	FIXED	

Q08.**All respondents**

Thinking of all times you have supplied metal waste since the start of 2017, has it been collected or delivered to the recycling site? Would you say it was:

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Always collected		
2	Usually collected		
3	Collected and delivered about equally		
4	Usually delivered		
5	Always delivered		
85	Don't know (<i>do not read out</i>)	FIXED	

Q09a.**All respondents.**

Since the start of 2017, what is the approximate volume of metal have you sold to recyclers?

OPEN BOX (NUMERICAL ONLY – METRIC TONS)

Do not read out

Code	Answer list	Scripting notes	Routing
85	Don't know (<i>do not read out</i>)		Q09b

Q09b.**All respondents who don't know the total volume of the metal (Q09a: 85)**

Which of these bands do you think it was most likely to be in?

SINGLE CODE, ORDERED

Do not read out

Code	Answer list	Scripting notes	Routing
1	Less than 1 metric ton		
2	1 – 5 metric tons		
3	5 – 10 metric tons		
4	More than 10 metric tons		
85	Don't know (<i>do not read out</i>)		

Q09c.**All respondents.**

And what, approximately, was the total value of that metal? To clarify, this is the total amount that you received for this.

OPEN BOX (NUMERICAL ONLY – IN £s)

Do not read out

Accept negative values if supplier pays for scrap metal to be recycled

Code	Answer list	Scripting notes	Routing
85	Don't know (<i>do not read out</i>)		Q09d

Q09d.**All respondents who don't know the total value of the metal (Q09c: 85)**

Which of these bands do you think it was most likely to be in?

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Less than £100		
2	£100 – £1,000		
3	£1,001 – £10,000		
4	£10,001 – £100,000		
5	£100,001 – £1 million		
6	Over £1 million		
7	We pay for scrap metal to be recycled		
85	Don't know (<i>do not read out</i>)		

FOCAL SITE

Now, I would like you to think of the <<EMR/ MWR >> site...

Q10.**All respondents**

How frequently do you supply waste to the <<EMR/ MWR>> site? Is it:

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Daily		
2	Weekly		
3	Monthly		
4	Several times a year		
5	Once a year or less		
6	Only ever supplied once		
85	Don't know (<i>do not read out</i>)		

Q11a.**All respondents**

Why do you choose to use the <<EMR/ MWR>> site rather than any other waste recycler?

MULTI CODE

Do not read out, probe to code until no more

Code	Answer list	Scripting notes	Routing
1	Price		
2	Location		
3	Collection Service		
4	Parking		
5	Payment Terms		
6	Reputation		
7	Quality of Service		
87	Other (<i>specify</i>)	OPEN	
85	Don't know (<i>do not read out</i>)	EXCLUSIVE	

Q11b.**All respondents**

Do you deal with <<EMR/ MWR>> under an existing contract or do you choose them each time you have scrap metal to sell?

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Under an existing contract		Q12
2	We choose each time		Q13
85	Don't know (<i>do not read out</i>)		Q13

Q12.**All respondents who are under an existing contract (Q11b: 1)**

How often do you negotiate your contact?

SINGLE CODE

Read out

Code	Answer list	Scripting notes	Routing
1	More than once a year		
2	About once a year		
3	Less than once a year		
85	Don't know (<i>do not read out</i>)		

Q13.**All respondents who choose each time (Q11b: 2, 85)**

Which of the following do you do regarding the price you receive for your scrap metal at <<EMR/ MWR><site>>?

GRID QUESTION, RANDOMISE STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Never	-	
2	Sometimes	-	
3	Always		
85	Don't know (<i>do not read out</i>)	-	

Response number	Code	Scripting notes	Routing
1	Go through a tender process		
2	Compare prices of different recyclers online, by telephone or by visiting		
3	Check prices on the Metal Bulletin		
4	Negotiate with <<EMR/ MWR>>		
5	Accept the offered price		

LAST TRANSACTION

Now, I would like you to think of the last time you used the <<EMR/ MWR>> site to recycle waste metal.

Q14a.

All respondents

When did you last use the <<EMR/ MWR>> site to recycle waste metal?

SINGLE CODE, ORDERED

Read out

Response number	Code	Scripting notes	Routing
1	Last week		
2	Last fortnight		
3	Last month		
4	Last 3 months		
5	Last 6 months		
6	More than 6 months ago		
85	Don't know (<i>do not read out</i>)		

Q15.

All respondents

Thinking of this last occasion, what type of waste did it include?

MULTI CODE, RANDOMISE

Read out

Response number	Code	Scripting notes	Routing
1	End of life vehicles		
2	Fridges and electrical waste		
3	Industrial waste		
87	Other (<i>specify</i>)	FIXED	
85	Don't know (<i>do not read out</i>)	FIXED, EXCLUSIVE	

Q16.**All respondents**

And what type of metals did it include?

SINGLE CODE, ORDERED

Read out

Response number	Code	Scripting notes	Routing
1	Ferrous		
2	Non-Ferrous		
3	Both Ferrous and Non-Ferrous		
85	Don't know (<i>do not read out</i>)		

Q17.**All respondents**

And what was the approximate volume of metal? Was it:

SINGLE CODE, ORDERED

Read out

Response number	Code	Scripting notes	Routing
1	Less than 50kg		
2	Between 50kg and 100kg		
3	Between 100kg and 1 metric ton		
4	More than 1 Metric ton		
85	Don't know (<i>do not read out</i>)		

Q18a.**All respondents**

Still thinking of this last occasion, did <<EMR/ MWR>> collect your waste from you, or did you deliver it?

SINGLE CODE, ORDERED

Response number	Code	Scripting notes	Routing
1	They collected		Q18b
2	I delivered		Q19
85	Don't know (<i>do not read out</i>)		Q19

Q18b.

All respondents who had metal collected (Q18a: 1).

And where did they collect from?

Interview to probe for: Postcode, Postcode District, Other Information

Code	Answer list	Scripting notes	Routing
85	Don't know (<i>do not read out</i>)		

DIVERSION

NOTE TO INTERVIEWERS The following questions are hypothetical / reassure as necessary

Q19.

All respondents

Now, I would like you to think of the last time you used the <<EMR/MWR>> site to recycle metal. If the <<EMR/ MWR>> site has closed down, what would you have done instead?

MULTI CODE

Do not read out/ prompt

Code	Answer list	Scripting notes	Routing
2	Use alternative site(s) and recycler(s)		
87	Something else (<i>specify</i>)	OPEN	
85	Don't know (<i>do not read out</i>)	EXCLUSIVE	

Q20b.

All respondents who would use a combination of sites and recyclers (Q19: 2)

And which site(s) or recycler(s) would you have used?

MULTI CODE

Code	Answer list	Scripting notes	Routing
1			
2			
3			
85	Don't know (<i>do not read out</i>)		
87	Other (<i>Specify</i>)	OPEN, FIXED	
88	Other MWR site (<i>Specify</i>)	OPEN, FIXED	Q21
89	Other EMR site (<i>Specify</i>)	OPEN, FIXED	Q21

Q21.

All respondents who would use alternative EMR/ MWR site (Q20: EMR/MWR)

And, again, thinking about the last occasion, what would you have done instead if **ALL** <<EMR/ MWR>> sites had closed down?

MULTI CODE

Do not read out/ prompt

Code	Answer list	Scripting notes	Routing
2	Used alternative site(s)		Q22b
87	Something else (<i>specify</i>)	OPEN	Q23b
85	Don't know (<i>do not read out</i>)	EXCLUSIVE	Q23

Q22b.**All respondents who would use more than one alternative site (Q21: 2)**

And which site or recycler would you have used?

MUTLI CODE

Code	Answer list	Scripting notes	Routing
1			
2			
3			
85	Don't know (<i>do not read out</i>)		
87	Other (<i>Specify</i>)	OPEN, FIXED	

Q23a.**All respondents**

Are there any other waste metal recyclers or sites you could have used?

MULTI CODE

Code	Answer list	Scripting notes	Routing
1			
2			
3			
4			
85	Don't know (<i>do not read out</i>)		
87	Other (<i>Specify</i>)	OPEN, FIXED	

Q23b.**All respondents**

Several other competitors work in this area. Could you have used <<insert site >> instead?

Ask for each top 6 not mentioned in previous questions and merger party if not mentioned in previous questions

GRID QUESTION - SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		Q24
3	No, because I've never heard of them		
85	Don't know (<i>do not read out</i>)		

Response number	Code	Scripting notes	Routing
1			
2			
3			

Q24.**All respondents who would not have used alternative company (Q23:2)**

Why would you not have used the following companies?

GRID QUESTION, MULTI CODE*Unprompted, do not read out*

Response number	Code	Scripting notes	Routing
1	Never heard of them		
2	Don't know enough about them		
3	Too far		
4	Too difficult to get to		
5	Poor price		
6	Does not offer the right payment terms		
7	Does not collect		
8	Poor service		
9	Poor management		
10	Bad management in the past		
11	Not open at the right times		
12	Does not accept this kind of waste		
13	Does not the have the right equipment		
80	Other (<i>specify</i>)		
85	Don't know (<i>do not read out</i>)		

Response number	Code	Scripting notes	Routing
1			
2			
3			

Q25.**All respondents who delivered the metal (Q18a: 2)**

How far would you have been prepared to travel to deliver the metal? Would it have been:

SINGLE CODE, ORDERED*Read out*

Response number	Code	Scripting notes	Routing
1	Up to 10 miles		
2	Up to 25 miles		
3	Up to 50 miles		
4	Up to 75 miles		
5	Up to 100 miles		
6	More than 100 miles		
85	Don't know (<i>do not read out</i>)		

DIVERSION**Q26.****All respondents**

What, if anything, has changed about the <<EMR/ MWR>> site since August 2017?

OPEN

Code	Answer list	Scripting notes	Routing
85	Don't know (<i>do not read out</i>)		

Q27a.**All respondents**

Are you aware that European Metal Recycling (EMR) has recently acquired Metal Waste Recycling (MWR)?

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
85	Don't know/ not sure (<i>do not read out</i>)		

Q27b.**All respondents**

Thinking just about your business, would you expect this to have a good, bad or neutral effect?

SINGLE CODE, ORDERED

Read out

Code	Answer list	Scripting notes	Routing
1	Good		
2	Bad		
3	Neutral		
85	Don't know/ not sure (<i>do not read out</i>)		

Q27c.**All respondents who give an answer (Q27b: 1, 2, 3)**

Why do you say that?

OPEN

Code	Answer list	Scripting notes	Routing
85	Don't know <i>(do not read out)</i>		

FOLLOW UP**Q28.****All respondents**

Would it be OK if DJS Research or another research agency re-contacted you if we have a need to further clarify any of the responses you have given in this survey today?

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Yes, DJS <i>(take details)</i>	OPEN	
2	Yes, any research agency <i>(take details)</i>	OPEN	
3	No		
85	Don't know <i>(do not read out)</i>		

Q29.**All respondents**

Would you be willing to take part in any further market research on behalf of the Competition and Markets Authority?

Code	Answer list	Scripting notes	Routing
1	Yes <i>(take details)</i>	OPEN	
3	No		
85	Don't know <i>(do not read out)</i>		

THANK & CLOSE



James Hinde
Research Director
jhinde@djsresearch.com

David Marchant
Senior Research Manager
dmarchant@djsresearch.com

3 Pavilion Lane, Strines,
Stockport, Cheshire, SK6 7GH

+44 (0)1663 767 857
djsresearch.co.uk

