

Anticipated acquisition by Hoyer Petrolog UK Limited of legal control of the bulk fuel delivery service business of DHL Supply Chain Limited

Decision on relevant merger situation and substantial lessening of competition

ME/6919/20

The CMA's decision on reference under section 33(1) of the Enterprise Act 2002 given on 14 May 2021. Full text of the decision published on 18 June 2021.

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

SUMMARY

1. Hoyer Petrolog UK Limited (**HPUK**) has agreed to acquire legal control over the bulk fuel delivery business within the United Kingdom (**UK**) of DHL Supply Chain Limited (**DHLSC**) (**the Target**) (the **Merger**). HPUK and the Target are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
2. The Parties overlap in the supply of bulk fuel delivery services in the UK. The customers for these services are usually either the wholesale supplier of the fuel or the customer receiving the fuel, depending on which of them takes responsibility for arranging fuel delivery under the relevant fuel supply agreement.
3. In assessing the competitive effects of the Merger, the CMA considered a range of evidence, including the Parties' internal documents and third party views. The CMA found that sufficient competitive constraints from alternative suppliers will remain post-Merger.
4. The CMA believes that the Merger does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral

effects in the supply of bulk fuel delivery services in the UK. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

Parties and transaction

5. HPUK is a wholly owned subsidiary of Hoyer GmbH Internationale Fachspedition, which is an international bulk liquid delivery and logistics provider. HPUK provides bulk fuel delivery services to customers in the UK, including services for the delivery of eg petrol, diesel, bio fuels, bitumen, liquefied petroleum gas, liquefied natural gas, heavy fuel oils, industrial gases, kerosene, gasoil and aviation fuel. The UK turnover of HPUK in 2019 was approximately £141.2 million.¹
6. The Target is the bulk fuel delivery business of DHLSC within the UK. DHLSC is a UK subsidiary of Deutsche Post AG. The Target currently provides bulk fuel delivery services to two customers: Asda and Morrisons. The UK turnover of the Target in 2019 was approximately [X] million.
7. HPUK will purchase from DHLSC a majority ([X]%) shareholding in a newly formed entity to which DHLSC will transfer the Target. The Target includes physical assets (IT equipment, tractor units and trailers, [X]), relevant employees, property leases, and its contracts with its two current customers. HPUK will also be the operating partner of the Merged Entity.²
8. The Parties informed the CMA that the Merger is not notifiable in any jurisdiction other than the UK.

Jurisdiction

9. Each of HPUK and the Target is an enterprise. As a result of the Merger, these enterprises will cease to be distinct. This is because HPUK will acquire sole legal control over the Target, due to its [X]% interest in the Merged Entity and its role as operating partner of the Merged Entity.
10. The Parties overlap in the supply of bulk fuel delivery services, with a combined share of supply (by volume) of [30-40]%, with an increment of [10-

¹ Annex 10 to the Final Merger Notice dated 22 March 2021 submitted by HPUK (FMN). While the FMN was submitted by HPUK, the statements in it were made on behalf of both Parties.

² Annex 18i to the FMN.

20] % brought about by the Merger (see Table 1 below). The CMA therefore believes that the share of supply test in section 23 of the Act is met.

11. 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.
12. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 26 March 2021 and the statutory 40 working day deadline for a decision is therefore 25 May 2021.

Counterfactual

13. The CMA assesses a merger's impact relative to the situation that would prevail without the merger (ie the counterfactual).³ The counterfactual may consist of the prevailing, or pre-merger, conditions of competition, or conditions of competition that involve stronger or weaker competition between the merger firms than under the prevailing conditions of competition.⁴
14. The CMA will generally conclude on the counterfactual conditions of competition broadly – that is, prevailing or premerger conditions of competition, conditions of stronger competition or conditions of weaker competition.⁵ The CMA is likely only to focus on significant changes where there are reasons to believe that those changes would make a material difference to its competitive assessment.⁶ If two or more possible counterfactual scenarios lead to broadly the same conditions of competition the CMA may not find it necessary to select the particular scenario that leads to its counterfactual.⁷ In Phase 1 investigations, if the CMA must consider multiple potential counterfactual scenarios where each of those scenarios is a realistic prospect, it will choose the one where the merger firms exert the strongest competitive constraint on each other, and where third parties exert the weakest competitive constraints on the merger firms.⁸
15. The Parties submitted that the relevant counterfactual was the current competitive situation. The Parties also submitted that DHLSC took a strategic decision [X] to exit bulk fuel delivery services in the UK, and that the Target has not bid for any new customer contracts since late 2018.

³ [Merger Assessment Guidelines \(CMA129, March 2021\)](#) (**Merger Assessment Guidelines**), paragraph 3.1.

⁴ [Merger Assessment Guidelines](#), paragraph 3.2.

⁵ [Merger Assessment Guidelines](#), paragraphs 3.9.

⁶ [Merger Assessment Guidelines](#), paragraphs 3.8-3.9.

⁷ [Merger Assessment Guidelines](#), paragraphs 3.6-3.16.

⁸ [Merger Assessment Guidelines](#), paragraph 3.12.

16. The Parties did not submit that either Party would exit absent the Merger. Moreover, the CMA did not receive compelling evidence that it was inevitable that the cumulative conditions for the exiting firm scenario would be met.⁹
17. At a later date ([REDACTED]),¹⁰ DHLSC management recommended the divestment of its bulk fuel delivery services to [REDACTED]. However, negotiations with [REDACTED] appeared to cease [REDACTED]. As such, the CMA does not believe there was a realistic prospect that a sale to [REDACTED] is the relevant counterfactual, rather than the prevailing conditions of competition.
18. Therefore, the CMA believes the prevailing conditions of competition to be the relevant counterfactual.

Background

19. The Parties' activities overlap in the supply of bulk fuel delivery services. Bulk fuel delivery services involve the delivery of fuel from one location to another.
20. Contracts for the provision of bulk fuel delivery services¹¹ are typically three to five years in length, and generally awarded through competitive bidding processes. The customers of these services are usually either the wholesale supplier of the fuel or the customer receiving the fuel, depending on which of them takes responsibility for arranging fuel delivery under the terms of the relevant fuel supply agreement.
21. Most bulk fuel delivery contracts are awarded to a single supplier following a competitive bidding process.¹² However, some customers contract with multiple suppliers. One customer who contracted with multiple suppliers of bulk fuel delivery services expressly stated that it did so to help maintain the competitive tension between the providers of bulk fuel delivery services.
22. Some contracts are renewed with the incumbent supplier without a formal tendering process. This may be after carrying out a market assessment which includes obtaining preliminary indicative costings from potential bidders.

⁹ [Merger Assessment Guidelines](#), paragraphs 3.21-3.33.

¹⁰ Annex 18i to the FMN.

¹¹ A supplier may provide services under different contractual arrangements: (a) 'Full Service Logistics Solutions' contracts: the supplier provides vehicles, drivers, and the management of drivers, fleets, delivery planning and dispatch services, and receipt/order generation; (b) 'Resource only' contracts: the supplier provides only vehicles, drivers, and related services – with the customer managing the stock and order management, scheduling and dispatch functions; and (c) 'Service' contracts: the supplier provides the same resources as 'Resource only' contracts, plus the management of delivery planning and dispatch services – leaving the customer to manage stocks and provide order receipt/order generation functions.

¹² In the period 2015 – 2020, out of the [REDACTED] known tenders that occurred during this period, [REDACTED] were awarded to several suppliers.

23. All the customers that responded to the CMA's investigation explained that health and safety considerations are an essential parameter of competition. Customers also noted the importance of price and of the bulk fuel delivery services provider's ability to handle industrial relations issues. Finally, the ability to maintain appropriate stock levels through scheduling deliveries (to accommodate fluctuations in volume) is a relevant factor for customers when choosing bulk fuel delivery services providers.
24. The provision of bulk fuel delivery services is characterised by long-term declining consumer demand for retail volumes and by low margins.¹³ Reasons for the declining demand include, among other things, the improved fuel performance of new vehicles and increasing interest in electric and hybrid vehicles.¹⁴

Competitive assessment

Horizontal unilateral effects

25. Unilateral effects can arise in a horizontal merger when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged firm profitably to raise prices or to degrade non-price aspects of its competitive offering (such as quality, range, service and innovation) on its own and without needing to coordinate with its rivals.¹⁵ Horizontal unilateral effects are more likely when the merging parties are close competitors.¹⁶ The CMA assessed whether it is or may be the case that the Merger may be expected to result in an SLC in relation to horizontal unilateral effects in the supply of bulk fuel delivery services within the UK.
26. In its assessment, the CMA considered: (i) frame of reference; (ii) shares of supply; (iii) tender data; (iv) the closeness of competition between the Parties; and (v) the competitive constraints from other suppliers.

Frame of reference

27. The assessment of the relevant market is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.¹⁷

¹³ Annex 18e to the FMN.

¹⁴ Annex 18e to the FMN.

¹⁵ [Merger Assessment Guidelines](#), from paragraph 4.1.

¹⁶ [Merger Assessment Guidelines](#), from paragraph 4.8.

¹⁷ [Merger Assessment Guidelines](#), paragraph 9.1.

28. Market definition involves identifying the most significant competitive alternatives available to customers of the merger firms.¹⁸ In some cases market definition can be an important part of the overall merger assessment process. In other cases, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger firms' behaviour, will capture the competitive dynamics more fully than formal market definition.¹⁹ There may be no need for the CMA's assessment of competitive effects to be based on a highly specific description of any particular market (including, for example, descriptions of the precise boundaries of the relevant markets and bright-line determinations of whether particular products or services fall within it).²⁰ The approach taken by the CMA will reflect the circumstances of the case.
29. The Parties overlap in the supply of bulk fuel delivery services in the UK.

Product scope

30. The Parties submitted that the relevant frame of reference was the market for all contract logistics. However, the Parties also submitted that the narrowest frame of reference should be the supply of bulk fuel delivery services, excluding aviation fuel. This was on the basis of the following:
- (a) Apart from aviation fuel, bulk fuel deliveries use the same equipment (including the same tankers). Aviation fuel is excluded because the delivery of such fuel is subject to additional regulatory requirements;²¹
 - (b) HPUK and its competitors offer bulk fuel delivery services for the full range of fuels; and
 - (c) Fuel delivery, and associated services, are broadly the same across the range of locations they service²² and different types of customers.²³
31. The Parties overlap only in bulk fuel delivery services, excluding aviation fuel.
32. The CMA received evidence that customers seek the services of logistics companies that have a specialism in fuel. One customer told the CMA that additional safety regulations cover fuel transport and that it has a separate

¹⁸ [Merger Assessment Guidelines](#), paragraph 9.2.

¹⁹ [Merger Assessment Guidelines](#), paragraph 9.2.

²⁰ [Merger Assessment Guidelines](#), paragraph 9.5.

²¹ Including eg restrictions on the ability to use the same tankers to deliver aviation and other types of fuel, given the cross-contamination risk. All other types of fuel listed can be carried in tanks previously used to carry a different type of fuel.

²² Including petrol forecourts, retailers' regional distribution centres, vehicle depots, manufacturers and certain agricultural activities.

²³ The customer will usually be either the wholesale supplier of the fuel or the customer of the fuel.

team to negotiate fuel transport contracts (as opposed to other transport contracts).

33. This was supported by the Parties' internal documents. Several of these note that the Parties consider themselves to be competing in the supply of bulk fuel delivery services.²⁴ This evidence also suggested that competition in bulk fuel delivery could be distinguished from that for the delivery of other hazardous liquids, such as chemicals and bitumen. For example, one DHLSC document indicated that 'the [X] activities ([X]), whilst all requiring specialist hazardous chemicals handling and regulations often compete against different providers [...].'²⁵
34. On that basis, the CMA believes the appropriate product frame of reference for calculating shares of supply is the supply of bulk fuel delivery services, excluding aviation fuel.

Geographic scope

35. The Parties submitted that the relevant geographic market is UK-wide, for the following reasons:
 - (a) HPUK competes with its main competitors on a national basis, with the customer location not typically being a material factor when deciding whether or not to tender for a prospective customer; and
 - (b) Customers of bulk fuel delivery services will usually award contracts that cover the whole of the UK.
36. The evidence received by the CMA indicated that the UK constitutes one single geographic frame of reference for the delivery of bulk fuel. One customer clarified that it has only one supplier of bulk fuel delivery services throughout the UK. Other customers prefer multi-sourcing, so may contract with one supplier for one part of the UK and choose one or more other suppliers for certain other parts. Some competitors also explained to the CMA that they are able to bid on a national basis.

²⁴ Annex 18h to the FMN, slide 3; and document titled '[X]' submitted in response to the CMA section 109 notice issued on 5 March 2021 to HPUK.

²⁵ Annex 18b to the FMN, slide 3. See also slide 6, which provides an overview of the competitors within 'Fuels' and 'Chemicals', with a Venn diagram indicating that DHLSC considered competitors within each to be different, with only HPUK, DHLSC and XPO competing within the overlapping area.

Conclusion on frame of reference

37. For the reasons set out above, the CMA believes the appropriate frame of reference for calculating shares of supply is the provision of bulk fuel delivery services, excluding aviation fuel, in the UK.

Shares of supply

38. Table 1 sets out the Parties' and third parties' estimated shares of supply (by volume) for the provision of bulk fuel delivery services in the UK in 2019.²⁶

Table 1: Share of supply estimates (2019/2020)

Supplier	Share of Supply (%)
HPUK	[20-30]%
The Target	[10-20]%
Parties Combined	[30-40]%
Greenenergy	[10-20]%
XPO	[10-20]%
Wincanton	[10-20]%
Suckling	[5-10]%
Certas	[5-10]%
Axis Logistics	[0-5]%
Reynolds	[0-5]%
Suttons	[0-5]%
Other (3 firms)	[0-5]%
Unknown	[10-20]%

Source: Parties' 2019 volume estimates in Table 4 of the FMN. 2019 volume estimates sourced from the questionnaire reply for one competitor ([REDACTED]), and 2020 volumes sourced from questionnaire responses for several other competitors ([REDACTED]).

Note: These share of supply estimates include [REDACTED] by [REDACTED]. When this [REDACTED] is excluded, the Parties' combined share of supply is [30-40]% with an increment from the Merger of [10-20]%, and the estimated share of supply for [REDACTED] is [REDACTED]. This [REDACTED] is included within the share of supply estimates, as [REDACTED].

39. Table 1 shows that the Parties will have a combined share of [30-40]% with an increment from the Merger of [10-20]%. Three competitors (Greenenergy, XPO and Wincanton) have estimated shares of supply of between [10-20]% and [10-20]%, and there are two competitors with market shares between [5-10]% and [5-10]%.²⁷
40. The CMA has not placed substantial weight on shares of supply because, as described in paragraph 20 above, the bulk fuel delivery market is

²⁶ The Parties submitted, and the CMA agreed, that the use of shares by volume is more appropriate than by value, as different bulk fuel delivery contracts may or may not 'pass through' different costs.

²⁷ An internal document dated January 2020 (Annex 18h to the FMN, slide 4) noted an estimate that the Parties' combined share is [40-50]% (with an [10-20]% increment). However, the CMA considers its estimates to be more reliable, since the CMA's estimates are based on information from the Parties and directly from some of their main competitors. The CMA estimates also more closely match an estimate provided by a third party to the CMA.

characterised by large tenders and therefore shares of supply may vary if competitors gain or lose significant customers. Accordingly, the CMA attached more weight to the analysis set out below of tender data, closeness of competition and competitive constraints.

Tender data

41. The Parties submitted that contracts for bulk fuel delivery services are highly contested through bidding processes, and that HPUK regularly competes with XPO, Wincanton, Suckling, Greenergy, Suttons, Reynolds and Turners. To support this, the Parties submitted information on their bidding history, which the CMA has supplemented with bidding data from competitors.²⁸
42. As described in paragraph 51 below, the Target has not bid for any new customer contracts since late 2018. The CMA therefore analysed the periods 2015 – 2018 and 2019 – 2020 separately. The CMA also carried out a detailed analysis of tenders organised both by large and smaller customers to assess the importance of scale, geographic scope or experience in the supply of bulk fuel delivery services.

2015 – 2018 ([REDACTED])

43. Out of the [REDACTED] tenders in which HPUK participated between 2015 – 2018, Wincanton and Turners are the competitors with the highest participation rate, having each participated in [REDACTED]. The Target participated in [REDACTED], and three other competitors each participated in [REDACTED]. Out of these [REDACTED] tenders, [REDACTED] included a bid from at least one of Greenergy, XPO, Wincanton, or Suckling, and [REDACTED] included a bid from at least two of these competitors. Out of these [REDACTED] tenders, HPUK solely won [REDACTED]. Of the other [REDACTED], the Target won [REDACTED], [REDACTED] and [REDACTED] jointly won [REDACTED], [REDACTED] and [REDACTED] jointly won [REDACTED], [REDACTED] and [REDACTED] jointly won [REDACTED], and [REDACTED] and [REDACTED] won [REDACTED] each.
44. Out of the [REDACTED] tenders in which the Target participated between 2015 – 2018, Wincanton is the competitor with the highest participation rate, having participated in [REDACTED]. HPUK participated in [REDACTED]; Reynolds participated in [REDACTED]; and four competitors each participated in [REDACTED]. Out of these [REDACTED] tenders, [REDACTED] included a bid from at least one of Greenergy, XPO, Wincanton, or Suckling, and [REDACTED] included a bid from at least two of these competitors. Out of these [REDACTED] tenders, the Target won [REDACTED]. Of the other [REDACTED], [REDACTED] and [REDACTED] won [REDACTED]

²⁸ Data sourced from the questionnaire responses from the same competitors as listed in the source of Table 1 above.

jointly, [X] and [X] won [X] jointly, HPUK, [X] and [X] won [X] jointly, and in addition [X], [X], HPUK, [X] and [X] won [X] each.

45. The CMA's analysis of the tender data indicates that between 2015 – 2018, although the Parties were competitors, there were a number of other credible alternatives who frequently participated and regularly won contracts such as Greenergy, XPO, Wincanton, and Suckling.

2019 – 2020 ([X])

46. Out of the [X] tenders that HPUK participated in between 2019 – 2020, Suckling is the competitor with the highest participation rate, having participated in [X]. Wincanton and Reynolds each participated in [X], Turners participated in [X], Suttons participated in [X] and XPO participated in [X]. Out of these [X] tenders, HPUK solely won [X] and jointly won [X] with [X] and [X]. Of the other [X], [X] solely won [X], and [X], [X], [X] and [X] jointly won [X]. The Target did not participate in any of the [X] tenders described above.
47. The CMA's analysis of the tender data indicates that between 2019 – 2020 HPUK faced a number of other credible alternative suppliers who frequently participated and regularly won contracts such as Greenergy, XPO, Wincanton, and Suckling.

Tenders organised by large and smaller customers

48. Some large customers said that they could only be serviced by bulk fuel delivery service providers with sufficient scale, geographic scope, or experience in serving high-volume contracts. The CMA carried out a detailed analysis of the last tenders conducted by a number of large customers. Most of the large customers received bids from competitors other than the Parties which progressed into the latter stages of the customer's tender process. Most large customers also had multiple bulk fuel delivery providers. While one large customer invited only the Parties to bid, it also told the CMA that at least one other competitor was able to meet its bulk fuel delivery needs.
49. All the small customers whose tenders were assessed by the CMA indicated that they had received bids from credible suppliers, other than the Parties, that progressed reasonably far in the relevant tendering process. Several of these small customers also sourced bulk fuel delivery services from multiple suppliers.
50. The CMA's analysis of the tender data indicates that between 2015 – 2020 the Parties faced a number of other credible alternative suppliers who

frequently participated and regularly won contracts such as Greenergy, XPO, Wincanton, and Suckling.

Closeness of competition between the Parties

51. The Parties submitted that the Parties do not pose a significant competitive constraint on each other because DHLSC took a decision [REDACTED] to exit bulk fuel delivery services in the UK, and that the Target has not bid for any new customer contracts since late 2018. The evidence received by the CMA indicates that the Target's strategy is to continue servicing its current customers.²⁹
52. The Parties' internal documents dated before 2018 indicate that the Parties considered their 'main' competitors to include each other but also a number of other competitors, as detailed further in paragraph 56 below. The Parties' internal documents after 2018 indicate that HPUK believed that the Target represented a diminished competitive constraint and had been losing market share 'over the last 10 years'.³⁰
53. The structure of the Merger and HPUK's internal documents are generally consistent with HPUK's stated rationale of acquiring the Target's contracts with Asda and Morrisons. As described above in paragraph 7, HPUK will purchase from DHLSC a majority shareholding in a newly formed entity to which DHLSC will transfer the Target's business (ie, physical assets, relevant employees, property leases, and its contracts with its two current customers Asda and Morrisons). [REDACTED].³¹ [REDACTED]. [REDACTED]. [REDACTED].³²
54. For the reasons set out above, the CMA believes that the Parties are currently not close competitors.

Competitive constraint from other suppliers

55. The Parties submitted that the cost of switching between suppliers is low, because when a bulk fuel delivery contract is won, staff and drivers are usually transferred to the new supplier and the equipment can be readily leased. Some customers responding to the CMA's investigation indicated that, whilst there are some barriers associated with changing suppliers, particularly associated with the management of industrial relation issues, the benefits associated with staying with the same supplier was the least important factor

²⁹ Annex 18e to the FMN. This was also supported by some customer submissions.

³⁰ Annex 17(a) to the FMN - see also Annex 17(d) to the FMN and Annex 17(f) to the FMN.

³¹ Annex 4 to the FMN. [REDACTED].

³² Annex 4 to the FMN and Annex 6 to the FMN.

they considered when choosing supplier. The CMA therefore believes there is no strong evidence that the barriers to switching are significant.

56. Internal documents indicate that, from the perspective of each of HPUK and the Target, there are at least seven close competitors other than the other Party, including XPO, Wincanton, Suttons, Suckling, Turners, Reynolds, and Stobarts.³³
57. Most of the customers responding to the CMA's investigation indicated that there seems to be a sufficient number of alternative credible suppliers other than the Parties, and expressed no concerns about the impact of the Merger on competition. A few customers, however, noted that the Merger will reduce choice. Third party comments have been taken into account where appropriate in this competitive assessment.
58. The Parties submitted that the customers of bulk fuel delivery services are typically large commercial organisations who have strong bargaining positions. Some evidence indicates that customers may be able to design the tender process and award contracts so as to promote competition:
 - (a) Internal documents submitted by the Target indicate that during a tender process, one customer was able to secure improved commercial terms from the Target (the incumbent supplier) by providing the Target with [REDACTED].³⁴ The relevant customer confirmed that during the final stage of its tender process it was able to negotiate with the most competitive firms and secure discounts.
 - (b) Another customer submitted that it is able to ensure the continued provision of high service quality from the Target through [REDACTED]. [REDACTED].
 - (c) Some customers award bulk fuel delivery services contracts to multiple providers. One customer stated that it prefers multi-sourcing in order to maintain a competitive tension between suppliers.
59. There are also examples of some customers being able to self-supply their bulk fuel delivery needs. The evidence received by the CMA indicates there are several customers that chose to either fully or partially take their business

³³ For example, in an internal presentation by the Target discussing its strategy to [REDACTED]. ([REDACTED], submitted in response to the CMA section 109 notice issued on 5 March 2021 to DHLSC.) Another document provided by the Target notes that [REDACTED]. ([REDACTED], submitted in response to the CMA section 109 notice issued on 5 March 2021 to DHLSC.) In a questionnaire related to [REDACTED] completed by HPUK, HPUK lists its main competitors as [REDACTED]. ([REDACTED], submitted in response to the CMA section 109 notice issued on 5 March 2021 to HPUK.) The [REDACTED] questionnaire completed by the Target lists [REDACTED] as its main competitors. ([REDACTED], submitted in response to the CMA section 109 notice issued on 5 March 2021 to DHLSC.)

³⁴ DHLSC Tender Response 110518.pdf submitted in response to the CMA section 109 notice issued on 5 March 2021 to DHLSC.

in-house, after organising tenders. However, most customers indicated that they have not considered bringing the provision of bulk fuel delivery services in-house.

60. For the reasons set out above, the CMA believes that the evidence described above shows the customers have sufficient credible alternatives other than the Parties.

Conclusion on horizontal unilateral effects in the supply of bulk fuel delivery services in the UK

61. For the reasons set out above, the CMA considers that the Parties are not close competitors in the supply of bulk fuel delivery services in the UK, and that the Merged Entity will continue to face competitive constraints from several alternative suppliers. Accordingly, the CMA considers 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 bulk fuel delivery services in the UK.

Decision

62. Consequently, the CMA does not believe that it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC within a market or markets in the United Kingdom.
63. The Merger will therefore **not be referred** under section 33(1) of the Act.

Eleni Gouliou
Director, Mergers
Competition and Markets Authority
14 May 2021