



Determination of the Competition Authority

Determination No. M/04/026 of the Competition Authority, dated 20 May 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/026 – the proposal by 3i Group plc to acquire Bowater Building Products Limited

Introduction

1. On 27 April 2004 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 ("the Act") was notified, on a mandatory basis, of a proposal whereby 3i Group plc ("3i") would acquire Bowater Building Products Limited ("BBPL") ("the proposed acquisition").

The Parties

2. 3i is a venture capital and private equity company, registered in England and Wales, which has a portfolio of more than 2,000 companies worldwide, operating in a wide range of business sectors and industries. 3i does not carry on business in Ireland other than through its portfolio companies.
3. BBPL is the ultimate holding company for Bowater Windows Limited ("BWL"), which is the main trading company of the BBPL group of companies. The BBPL group manufactures, supplies and installs double-glazed windows, door units, conservatories and related products made from polyvinyl chloride unplasticised ("PVC-u") materials, and also manufactures and supplies PVC-u profiles for windows, doors, conservatories and related products.
4. The BBPL group's turnover in the State is derived solely from BWL's sale of PVC-u profiles. BWL has no physical presence in Ireland – it sells its PVC-u profiles products to National Profiles Limited, Mallow, County Cork, which acts as a distribution agent for BWL in Ireland.

Analysis

5. Of its business investment portfolio, 3i has an investment in one other UK-based company, Indigo Products Ltd, which manufactures and supplies products that appear substitutable for those of BBPL. However, 3i confirms that Indigo Products Ltd does not make sales into Ireland (3i also submits that it is incapable of exercising decisive influence over Indigo Products Ltd, within the meaning of Section 16(2) of the Competition Act 2002, due to the size of its investment shareholding). 3i further confirms that it does not control any other businesses that manufacture or supply u-PVC products, similar to those manufactured by BBPL.
6. There is no horizontal or vertical overlap in Ireland between the goods and services manufactured and supplied by 3i, or any business that



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forms part of 3i's portfolio, and the goods and services manufactured and supplied by BBPL. The proposed acquisition would result in a bare transfer of BBPL's industry share and there is nothing to indicate that a change in concentration in any market for goods or services in the State would occur.

7. Further, market enquiries amongst competitors indicate that there are over 15 suppliers of substitutable u-PVC products in the State, such products being made up of imports (mainly from Germany and the UK) and those manufactured in the State.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the proposed acquisition by 3i Group plc of Bowater Building Products Limited will not result in a substantial lessening of competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority