



## **DETERMINATION OF MERGER NOTIFICATION M/06/080 – LINPAC MATERIALS/ALLIBERT BUCKORN**

### **Section 21 of the Competition Act 2002**

### **Proposed acquisition of the Allibert Buckhorn Group by LINPAC Materials Handling Limited**

**Dated 11/12/06**

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#### **Introduction**

1. On 20<sup>th</sup> November 2006, the Competition Authority, in accordance with Section 18(1) of the Competition Act, 2002 ("the Act"), was notified on a mandatory basis of the proposed acquisition by LINPAC Materials Handling Limited ("LINPAC Materials") of sole control of the business of the Allibert Buckhorn Group (the "Target Group") which comprises two distinct business units, Allibert Buckhorn ("AB") and Raaco International A.S. ("Raaco").

#### **The Parties**

2. LINPAC Materials, the acquirer, is a wholly owned subsidiary of LINPAC Group Limited, a UK-based company. LINPAC Materials specialises in the production and distribution of plastic returnable transit packaging ("RTPs"). RTPs are transport containers that are designed for multiple re-use. These RTPs range from hand-held size containers which are used mainly in supermarket, retail and food processing applications, to large-sized trays and boxes used mainly for agricultural and industrial applications. In 2005, LINPAC Materials generated turnover of [...] million from its sale of RTPs in the State.
3. The Target Group is currently owned by Myers Industries Inc., a US-based international manufacturer of plastic products for industrial, agricultural, automotive, commercial and consumer sectors. The Target Group comprises of two distinct businesses:
  - AB is a France-based company which is active in the production and distribution of RTPs. AB is also active in the production of: (i) small parts storage bins; (ii) bulk liquid storage tanks, intermediate bulk containers and related products (notably, "spill-control" trays); (iii) medical trolleys, lockers and plastic furniture for hospitals and other clinical applications; and (iv) industrial (and some commercial) metal racking and storage systems.
  - Raaco is a Denmark-based company which specialises in the production of storage products for small items and for tools and accessories used by professionals, DIY customers and OEMs. This includes some small parts storage bins similar to those which AB produces, but also a wider range of small item storage solutions.

In 2005, the Target Group generated turnover of [...] million from its sale of RTPs in the State.

### **Analysis**

4. There is horizontal overlap in the activities of the undertakings involved, as both LINPAC Materials and the Target Group are active in the sale of RTPs in the State. However, neither LINPAC Materials nor the Target Group has production facilities for the production of RTPs on the island of Ireland.
5. The undertakings involved estimated that the value of sales of RTPs in the State as c. €12.7 million. This suggests that the combined entity would account for [30-40%] of sales of RTPs in the State. However, market enquiries indicate that: (i) RTPs are mainly sourced from Europe or wider; (ii) RTPs are easily shipped from one destination to another at reasonable costs; and (iii) customers in the State can easily switch between suppliers of RTPs.
6. Therefore, the Authority considers that the proposed transaction does not raise competition concerns in the State.

### **Ancillary Restraints**

7. The Authority considered ancillary restraints entered into by the undertakings involved.
8. The Authority does not regard it as necessary to express a view on the appropriateness of the ancillary restraints to the proposed transaction as it considers that the proposed transaction does not raise competition concerns in the State.

### **Determination**

The Competition Authority, in accordance with Section 21(2) (a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by LINPAC Materials Handling Limited of the Allibert Buckhorn Group, will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

### **For the Competition Authority**

Dr Paul K. Gorecki  
Member of the Competition Authority