



News Release

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CC CONSULTS OVER NEW WATER MERGER GUIDELINES

The Competition Commission (CC) is consulting over new guidelines which explain its approach to water merger inquiries.

Proposed amendments to the Water Industry Act 1991 will align the water merger provisions more closely with the Enterprise Act merger regime.

The CC is the decision maker in merger cases, including water mergers, referred to it by the Office of Fair Trading (OFT). In the event of such a referral, the CC has to establish whether a relevant merger situation has been created, and if so whether it reduces the ability of the Director General of Water Services (DGWS) to make comparisons between water enterprises. This is a different test than is normally applied to referred mergers whereby the CC would determine if a relevant merger situation has been created and whether or not it may be expected to result in a substantial lessening of competition.

Chairman of the CC, Professor Paul Geroski, said:

'The water merger guidelines will provide interested parties with clear guidance on how the CC will carry out water merger investigations. The CC is committed to provide a transparent and consistent approach in its investigations and we welcome comments on these guidelines.'

The document is the latest in a series of guidance published by the CC under the Enterprise Act 2002. The draft guidelines will be distributed for comment in the water industry, economic, business and legal sectors as well as to other regulators and government bodies and are also available on the CC's web site: www.competition-commission.org.uk/rep_pub/consultations/current/index.htm. Comments on the consultation document can be sent by email to:

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Responses should be received by 29 October 2004.

Notes for editors

1. Guidance published by the CC under the Enterprise Act 2002 can be found on:
www.competition-commission.org.uk/rep_pub/rules_and_guide/index.htm.
2. Enquiries should be directed to Francis Royle on 020 7271 0242 or Rory Taylor on 020 7271 0398 (rory.taylor@competition-commission.gsi.gov.uk).