

APPENDIX 1
(referred to in paragraphs 1.1, 2.27 and 6.1)

The reference

1. On 30 August 1989 the Department of Trade and Industry sent to the Commission the following reference:

Whereas it appears to the Secretary of State that it is or may be the fact that arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a merger situation qualifying for investigation, as defined in section 64(8) of the Fair Trading Act 1973 ('the Act'), in that

(a) enterprises carried on by or under the control of Myson Group plc (incorporated in the United Kingdom) will cease to be distinct from enterprises carried on by or under the control of Yale & Valor plc, and

(b) the value of the assets which will be taken over exceeds £30 million:

Now, therefore, the Secretary of State, in the exercise of his powers under sections 69(2) and 75 of the Act, hereby refers the matter to the Monopolies and Mergers Commission for investigation and report within a period of three months beginning with the date of this reference.

In relation to the question whether a merger situation qualifying for investigation will be created if the arrangements herein referred to are carried into effect, the Commission shall exclude from consideration one of paragraphs (a) and (b) of section 64(1) of the Act if they find the other satisfied.

30 August 1989

(Signed) R MOUNTFIELD
*A Deputy Secretary of the
Department of Trade and Industry*

2. On 31 August 1989, in a press release announcing the reference, the Department stated that there were possible effects on competition in the United Kingdom market for gas fires which deserved investigation by the Commission.

3. The composition of the group of members which was responsible for the present investigation and report is indicated in the list of members in the preface.

4. A notice inviting evidence was placed in the Financial Times on 5 September 1989.

5. In addition we sought evidence and views from trade unions, trade associations, manufacturers of gas fires, builders' and plumbers' merchants, retailers and other firms with an interest in the gas fire industry. The views of those who responded are summarised in Chapter 5. We also held hearings with British Gas plc, Hepworth plc and Tricom Supplies Ltd.

6. We received written submissions from Yale & Valor plc and Myson Group plc, and we held one hearing with each of these companies.

7. We thank all those who helped with our inquiry, and in particular Yale & Valor plc and Myson Group plc.