

5 Views of third parties

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Introduction

5.1. We invited views from a wide range of manufacturers, suppliers, distributors, customers of aluminium products and relevant associations. This chapter summarizes the evidence we received. Oral hearings were held with the LIF, Thorn and Thyssen.

Alusuisse UK Ltd

5.2. Alusuisse UK Ltd told us that the merger would have no great impact on the market for the supply of specular and highly specular anodized aluminium because there were three alternative companies in the EC (SATMA (France), SACALL (Italy) and ANOFOL (Italy)) and two manufacturers in the USA (Lorin and ACA) which produced similar material.

British Steel plc

5.3. British Steel plc said that it was in competition with Alanod in the lighting market. The merger would give the new company of the order of 90 per cent of the UK market. British Steel welcomed the merger as customers would seek to diversify to alternative suppliers and materials.

5.4. However, the potential market benefit to customers of such alternative suppliers and materials would be severely diminished if the merged company used its market power to lock customers into supply contracts to the exclusion of new market entrants and alternative materials.

Coil SA/NV

5.5. Coil SA/NV (Coil) said that it was in the business of the continuous surface treatment of aluminium flat rolled products. Coil acted as a pure subcontractor, providing a surface treatment (electrochemical and coating) to its customers' metal in a coil form. Coil did not buy or sell aluminium other than for product development trials. The major customers of Coil were the rolling mill subsidiaries and divisions of the major aluminium producers in Europe. Coil also supplied to distributors and certain end-users. The principal end-market for metal treated at Coil had traditionally been the building/architectural market, where metal was used as exterior cladding and for a whole range of interior architectural applications. Since 1992, Coil has increasingly moved into providing a 'fit-for-use' surface treatment for a whole range of industrial applications. Whilst certain of the processes employed by Coil were similar to those employed by continuous producers of lighting sheet, including Alanod, the overall process was different and Coil could not at this time produce lighting sheet, although it had the knowledge and the engineering resources to do so.

5.6. In the USA, there were two companies (Lorin and ACA) which had businesses similar to Coil, which also produced lighting sheet. However, both Lorin and ACA bought and sold aluminium and sold direct to distributors and end-users. Alanod was currently a customer of Coil for the application of a surface pre-treatment for certain Alanod products. All the producers of lighting sheet had developed the sales and distribution networks to sell to customers of lighting sheet worldwide.

5.7. Coil had monitored the lighting sheet market in Europe for a number of years. Whilst having the technical ability to enter the market, Coil had decided not to make the necessary investment for a number of reasons:

- (a) There was perceived to be overcapacity in the market internationally, which had led to intense price competition. Lorin had decided to enter the market directly rather than act as a subcontractor to Alcoa Brite Products (ABP). As a result ABP encouraged other companies, such as SACALL (Italy) and ACA, to increase their own production capacity.
- (b) Coil was never actively solicited by its customers to produce lighting sheet.
- (c) Since Coil's strategy was to remain a pure service provider, it saw no interest in building up the required sales and distribution network required to service this market, nor was it interested in buying and selling metal.
- (d) New technology was being introduced in the high end of the lighting market, which required considerable investment, but where the market potential appeared uncertain. Further this technology was readily available in the market, since it was not proprietary to any of the producers of lighting sheet.
- (e) Coil was in the process of developing new products for both the building and industrial markets where there did not exist the same competitive pressures as in the lighting market.

5.8. In recent months, Coil had devoted a portion of its research and development resources to developing a number of potential products for the lighting sheet market and it was possible that these might be available for production over the next 12 to 24 months. However, there was no intention to enter the lighting sheet market. Coil would simply be further widening its range of potential surface treatments for its customers and prospective customers. These could include several of the companies currently involved in the lighting sheet market.

5.9. Coil did not consider the Alanod/Ano-Coil merger to be against the public interest. Rather it saw the acquisition of Ano-Coil, which was perceived to have become a weak market participant, to be the inevitable result of a consolidation of an industry which was capital intensive and was suffering from overcapacity, excessive price competition and inadequate financial returns.

5.10. It appeared to Coil that the market might be currently perturbed to a greater extent by the unforeseen withdrawal of ABP. This meant that metal finished in North America was no longer being effectively distributed in Europe. In addition, the US producers of lighting sheet were currently preoccupied with the opportunity created by the withdrawal of ABP from their domestic market. It could only be expected that this would distort the competitive situation of the market for a certain period. Coil said that it was not a direct participant in the lighting sheet market and its comments should be viewed in that context.

Jordan Reflectors Limited

5.11. Jordan has ownership links with Alanod (see paragraph 3.5 and Figure 3.1).

5.12. It told us that the merger would not be detrimental to the industry or to their ability to obtain competitive supplies. There were numerous alternatives with regard to both material and suppliers (for example, Lorin, SATMA, ACA, Reyton Metals and SACALL). The alternative suppliers were easily accessed and had service centres. Prices were competitive.

5.13. Jordan considered that had the acquisition not taken place more job losses would have occurred as there was overcapacity in the industry. Moreover, the increasing use of high-efficiency compact lamps, the trend towards downlighter products and weaker economic activity had reduced the demand for louvred lighting products and hence anodized aluminium.

Lighting & Ceiling Louvres Ltd

5.14. LCL said that it had been a customer of Alanod for over 20 years. During this time Alanod had been supportive to LCL.

5.15. Aluminium users had been aware for more than two years of the frailty of Ano-Coil in the UK market with regard to product development management direction and financial strength. The lighting market Ano-Coil had serviced had been eroded by the use of unanodized aluminium and MIRO. Alanod had four competitors for normal specular anodized product and it was unlikely that Ano-Coil could have survived without intervention.

5.16. As a small independent enterprise it was advantageous to LCL from the viewpoint of working capital, cash flow and supply to have as many competing suppliers as possible. However, with regard to technical leadership, LCL acknowledged that Alanod with MIRO would cause much of the anodized product currently on offer in the market to become obsolete.

5.17. [*Details omitted. See note on page iv.*]

Lighting Industry Federation

5.18. The LIF said that the acquisition of Ano-Coil by Alanod would result in it supplying an estimated 70 per cent of the European market.

5.19. The LIF's estimate of production capacity in Europe was as follows:

<i>Supplier</i>	<i>Country</i>	<i>Production capacity ('000 tonnes pa)</i>	<i>Production of European capacity %</i>
Alanod	Germany	27	55
Ano-Coil	UK	10	21
SATMA	France	6	12
SACALL	Italy	6	<u>12</u>
			<u>100</u>

5.20. The LIF understood that the other suppliers did not have suitable alternative products at viable prices and that, therefore, the manufacturers of commercial fluorescent luminaires might be forced to pay high prices.

5.21. The LIF said that:

- (a) It welcomed North American producers establishing themselves in Europe. However, it would take time to establish the appropriate range of products, logistics and technical support.
- (b) It thought there was no immediate substitutability of products but probably this would come in time. However, this would require costly evaluation of performance, tooling and manufacturing processes.

- (c) The members of the LIF were continuously assessing alternative sourcing but only the two merged companies had the necessary range of materials, capacity and technical support. Some resourcing to SATMA and SACALL had occurred.
- (d) The LIF did not think Thyssen with SACALL would be able to retain its share of the market since it did not currently have the necessary product range, capacity or logistics.

5.22. The LIF wished assurances to be sought from Alanod that the company would not abuse its dominant position in the UK market for specular and highly specular anodized aluminium. The LIF said that a price moratorium might be imposed for, say, three years on the merged company to allow time for new suppliers to get established and for manufacturers to evaluate the position and decide what action to take.

Lorin Industries Inc

5.23. Lorin said that the acquisition had made Alanod the largest coil anodizer in the world and had moved Lorin to second place. Between the two companies, they supplied approximately 60 per cent of the worldwide demand for coil anodized aluminium. Post-acquisition, Alanod had worldwide leadership in the lighting market, with approximately a 60 per cent share. Its share in Europe would be approaching 75 per cent. The market for anodized aluminium coil for use in the lighting industry in the USA differed from that in Europe. Whereas the lighting industry in the USA was mainly consolidated, with three large fixture manufacturers dominating the market, in Europe it was highly fragmented and appeared ripe for consolidation. There were also differences in product mix, with about 75 per cent matt/semi-specular material to 25 per cent specular in the USA, and the reverse in Europe. The large proportion of matt products and differences in production technologies enabled Lorin to source a significant proportion of its requirements for raw aluminium coil from high-volume US mills, whereas the raw aluminium coil required for its high-end specular products had to come from specialist bright mills in Europe.

5.24. Lorin had a subsidiary company, Lorin Industries Europe Limited, that acted as its sales, marketing and logistics arm for the UK and Europe, and maintained stocks of common lighting products in the UK. It received shipments twice a month from the USA. In addition to direct sales through this subsidiary, Lorin had a distribution agreement with an independent company, British Aluminium Ltd, for commercial and lighting products. British Aluminium Ltd serviced some small lighting accounts, setting its own prices. Lorin said that it offered full support on metallurgical and other engineering issues and actively engaged in joint product development. It also worked with customers to provide 'just-in-time' delivery. At present, its UK operation was not profitable.

5.25. Lorin said that it offered a full range of anodized aluminium coil from low-cost matt to high specular. It planned to be a major supplier in the UK market, particularly in the matt and semi-specular product lines. Constraints were transatlantic transport costs and the duty on imports of aluminium into the EC; it did not see difficulties in supplying the range of products required by UK customers, delivery and supply times, the need to hold local stocks, capacity constraints or competition as significant constraints. It perceived there to be considerable customer loyalty, with customers switching between suppliers of anodized aluminium coil only when a supplier had consistently failed to perform to their expectations.

5.26. Lorin said that it did not supply specialized vacuum deposition products, equivalent to Alanod's MIRO range. MIRO currently held about 10 per cent of the market in Europe. Lorin had no plans to invest in plant for producing such products, arguing that in the absence of government subsidies for capital equipment there was no economic justification for the investment required. It believed that anodized aluminium coil continued to be well positioned in the lighting market.

5.27. Lorin said that the response from lighting customers to the merger had been mixed. It had been supported by some who had strong ties with Alanod and felt it would enhance their position. On the other hand, others were wary of the dominant market position the acquisition would give Alanod, and the potential ramifications this might bring for their business.

5.28. Lorin's view was that the merger would produce stability in the market for aluminium coil for use in lighting products in the UK. There was plenty of anodizing capacity to support the market, and the products offered by Alanod's competitors were roughly equivalent. Metalloxyd GmbH had been a desperate company, taking desperate actions to generate sales and cash. Lorin viewed the merger as an

opportunity both for itself and for other non-UK-based anodizers. However, there were two areas where competition could potentially be adversely affected.

5.29. The first area of concern was that Alanod might follow a strategy of bundling standard anodized product with MIRO. Prior to the Ano-Coil acquisition, there were enough competitive options on standard anodized product to make certain that the MIRO product was sold on its own merits. The fear in the market place was that Alanod would now be able to dictate product splits and participation to the market, due to its share of the standard anodized product and its single supplier position on MIRO. For example, Alanod might seek to restrict supply of MIRO to those who bought significant quantities of standard anodized product. Lorin had no evidence of this having occurred in the past.

5.30. Lorin suggested that a possible remedy to this problem would be to limit Alanod's role in MIRO to being the supply source, with Alanod selling the product to the anodizers who would then sell to the market. Typically, MIRO was a specified product, and Lorin did not believe that anodizers would feel it to be against their interest to sell MIRO on projects requiring that level of material performance.

5.31. The second area of concern was that Alanod might have the ability to restrict mill (raw material) support to other anodizers, utilizing its increased buyer power. Anodizers were dependent upon high-quality mill sources to produce a product that was acceptable to the market. The acquisitions and mergers that had been occurring on a global basis in the aluminium industry had only heightened that concern as sources of raw material became fewer. Lorin had no evidence of Alanod having sought to influence supplies of raw aluminium to other anodizers in the past.

Pechiney UK Ltd

5.32. Pechiney UK Ltd said that the acquisition did not result in a monopoly supply situation for anodized and brightened products for the EC lighting market. In addition to Alanod there were four other companies which were active in the EC market and beyond for these products (Lorin, ACA, SACALL and SATMA).

Philips Electronics UK Limited

5.33. Philips Electronics UK Limited (Philips UK) said that it had a leading position in the European luminaire business, with particular strength in the high-end specification segment of the market requiring high-performance luminaires. Production sites are in the Netherlands, Spain, Germany, France, Finland, Poland and Scotland (for production of outdoor luminaires). It utilized about 2,000 tonnes of anodized aluminium of which 15 per cent was highly specular and 85 per cent lower and medium specular. The amount of highly specular material was decreasing in favour of MIRO products.

5.34. In the last few years Philips UK had sought to optimize its supply base, leaving Alanod and Metalloxyd GmbH as the two main suppliers with SATMA and SACALL as suppliers of small volumes of lower-end material. It regarded its relationship with suppliers of high-end material as essential for innovation in its products.

5.35. Philips UK said that although MIRO was 50 to 70 per cent higher in price compared with standard quality materials, at present it offered the only solution where the most demanding standards were required. Metalloxyd GmbH had been expected to come up with alternative vacuum deposition products to MIRO within a short period. The position of other suppliers of anodized aluminium was not known.

5.36. Philips UK said it agreed that overcapacity in the supply of anodized aluminium coil had led to downward pressure on prices. It believed new suppliers were unlikely to enter the market because of the need for high investment and long-term experience.

SACALL SpA

5.37. SACALL said that it had its origins in the production of anodized aluminium coil for use by Citor, a manufacturer of lighting reflectors. Citor built its first plant, for small widths, in 1968. In 1982 a new 1,000 mm anodizing line was purchased, and SACALL was created as a separate private family business selling almost exclusively to the Italian market. By 1993 exports amounted to only 5 to 6 per cent. Since then SACALL had sought to expand its exports substantially, and in 1997 production

commenced from a second (1,250 mm) anodizing line. SACALL now had a turnover of around DM40 million and around [redacted]. SACALL exported 70 to 75 per cent of its production to countries all round the world. Around 20 per cent of sales went to the Far East (China and Taiwan), with the remainder split between other European countries (notably the Benelux countries, Spain, Portugal, Germany and Eastern Europe), the Middle East and South America. SACALL normally sold through local distributors, which it regarded as essential in order to penetrate new markets given the demand by most customers for immediate delivery from a local source. It retained strong links with Citor, and the two companies were to merge.

5.38. SACALL said that it had limited previous involvement in the UK market, in which prior to the agreement with Thyssen it had no distributor. Its sales to Interlux had come about through personal contact. In 1998 it was looking for a distributor to help it expand sales in the UK. It felt that the market for anodized aluminium coil for use in lighting in the UK differed from that in other North European countries only in minor ways (such as the demand for convex rather than concave hammered product), with the majority of demand for highly specular grades. The US market concentrated on cheaper semi-specular grades that were not in high demand in Europe, though there was now some sign of change towards more specular products. The rest of the world primarily demanded cheap specular products.

5.39. SACALL said that it felt its product range covered 90 to 95 per cent of Alanod's; essentially everything except MIRO. Its lines were capable of producing all standard grades, and the range of products offered reflected its perception of what customers wanted. Where substitutability was an issue it sought a sample of the material currently being used by the customer and analysed this against its own products. SACALL grades were consistent in specification and production quality. [redacted] *Details omitted.*
See note on page iv.]

5.40. [redacted] *Details omitted. See note on page iv.*] SACALL's investment priority was for a new site. It was considering a third anodizing line but would place a firm order only when it was confident that sales growth was sufficient to support such an expansion. [redacted] *Details omitted.*
See note on page iv.] SACALL had considered the possibility of establishing a new line in a lower-cost country but had ruled it out because of the difficulty of managing it from Italy.

5.41. SACALL said that it believed MIRO would remain expensive compared with standard anodized aluminium. It was important to some customers, and might be used as a lever to sell standard product. Although the market for it might grow at the expense of that for standard anodized aluminium, it was likely to remain relatively small. SACALL had had contact with Von Ardenne, but judged that the required investment was too high.

5.42. SACALL said that it was looking to expand its business building on customers' perception of it as a young customer-oriented company. The merger between Alanod and Metalloxyd had opened new opportunities for it, of which the UK was only one. [redacted] *Details omitted. See note on page iv.*]

Surface Engineering Association

5.43. The Surface Engineering Association (SEA) said that Ano-Coil had, before the proposed merger, reduced its number of UK employees from 140 to 100 and closed two of its operating sites (Aldridge, West Midlands, and Bilton Road, Milton Keynes). The impression within the industry was that Ano-Coil would have had to restructure its operation further to ensure the survival of its business.

5.44. The SEA said that the industry view was that the merger would work to the benefit of the UK economy in terms of increased market share for UK-produced aluminium coil, an increase in the export of those products and the saving of existing jobs. The combined sales of the merged companies is estimated at £25 million, 80 per cent of which is obtained from exported goods. Previously Ano-Coil produced 37 per cent of the domestic market with the balance being imported. As a result of the acquisition Alanod was forecast to raise its share of production in the domestic market from 37 to 55 per cent.

5.45. The SEA said that industry experts considered the Alanod/Ano-Coil merger to be a positive move for the UK aluminium coil market. Alanod was planning a new investment programme in the site at Milton Keynes. Prior to the merger Alanod enjoyed about 80 per cent of the anodized coils market and

this would now increase to 90 per cent. The balance had been and would continue to be imported from the USA.

Tamlite Lighting Ltd

5.46. Tamlite Lighting Ltd (Tamlite) said that the supply of aluminium to Tamlite was of vital importance as 95 per cent of the raw materials used in the construction of a louvre were aluminium.

5.47. Alanod was known to have pioneered the development of products for the top end of the market (ie MIRO) where Ano-Coil had undertaken little work. Tamlite purchases in this part of the market were limited.

5.48. Tamlite bought the bulk of its product at the middle to bottom end of the market where it had a number of other European suppliers to choose from. Tamlite was not unduly concerned about the merger and the effects on the market.

Thorn Lighting Group Limited

5.49. Thorn said that it is one of the larger manufacturers of luminaires in Europe with a turnover of some £[20] million a year and a large share of the UK market. It manufactured and supplied a wide range of lighting products, but a major proportion of the business was in recessed and suspended indoor fluorescent luminaires. Expenditure on optical grade pre-anodized aluminium for use in reflectors/diffusers for all its European factories was around £[20] million, out of a total spend on commodities for all types of luminaire of £[20] million. Thorn said that pre-anodized aluminium represented some [20] per cent of the cost of a typical recessed luminaire. Thorn's demand for pre-anodized aluminium coil was expected to grow, with the proportion of that material which was 'highly specular' increasing to perhaps [20] per cent, reflecting the growing need for precise light control and the introduction of the T5 lamp.

5.50. Thorn's experience was that competition between Alanod and Ano-Coil had been important in keeping down prices for anodized aluminium coil. Until 1995 Thorn sites acted independently with regard to purchasing, and bought variously from Alanod, Ano-Coil, SATMA etc. Virtually all of Thorn's UK expenditure on this material was with Alanod, and prices rose consistently between 1991 and 1996. In 1995 Thorn undertook a competitive tender exercise for all its European supplies, which included a rationalized range of grades for its Spennymoor factory and led to Ano-Coil becoming the 'preferred supplier' to Thorn throughout Europe. Business was gradually transferred to Ano-Coil, which led to a reduction in prices which had since continued on a downward trend.

5.51. Thorn stated that competitive pressures in the market for optical grade pre-anodized aluminium had also led to significant technical advances. It believed that this was likely to diminish, and noted that shortly before the merger Ano-Coil had ceased work on its own range of vacuum deposition products to compete with MIRO. Thorn said that since the merger it had experienced a reduction in technical liaison with Ano-Coil, at a time when the growing use of the T5 lamp was increasing the need for such contacts.

5.52. [

Details omitted. See note on page iv.

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5.53. Thorn argued that the alternative materials currently available all had features which made them less desirable or unsuitable for use in its recessed and suspended luminaires. Non-specular pre-anodized aluminium could only be used where control of light output quality was not important. Polished raw aluminium lacked scratch resistance and dulled over time. Laminated steel was heavier than aluminium leading to fixing/suspension difficulties; pressing and cutting could lead to hazards due to sharp edges and 'burrs'; and steel laminates with good optical qualities tended to be more expensive than anodized aluminium. PVC could distort, affecting light control. Moulded plastics required new light-fitting designs and processes to accommodate them, and raised concerns over fire risk. All the alternatives required redesign/retooling for existing products and modifications to production processes, requiring substantial investment.

5.54. Thorn believed that the barriers to entry into the market for optical grade pre-anodized aluminium were likely to be considerable. The capital costs of setting up a processing plant for the highest grades were likely to be high, and secret production know-how likely to be involved in the production of optical grades. Thorn believed that Alanod held at least one patent for the manufacture of its highest-quality MIRO product, and suggested that the technical risks of entering such a leading edge technology would be high.

5.55. [

Details omitted. See note on page iv.

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Thyssen Garfield Ltd

5.56. Thyssen served as sole distributor for Alanod products in the UK market for about 15 years. Alanod serviced two or three accounts for historical reasons but all other business was conducted through Thyssen. It was a successful partnership which grew to achieve a market share of perhaps 80 per cent prior to the loss of the Thorn contract, and even after that was approximately 60 per cent of the available market. For Thyssen it was a small part of its overall activity, but an important one.

5.57. Thyssen's principal competitor was Ano-Coil selling a comparable product range under the name of Anocoil. Thyssen estimated that shortly before the merger Ano-Coil's market share was about 30 per cent, the remaining 10 per cent being in the hands of SACALL from Italy, Lorin, ACA and Alcoa Inc from the USA and SATMA from France. The US suppliers had been in the market since the early 1990s but had failed to penetrate the market in any meaningful way. Most buyers did not consider them to be a credible source. SACALL had only one customer. SATMA had only a limited capacity and little apparent appetite for the UK market. Pechiney UK Ltd recently sold the factory that produced the base material that SATMA anodized to Alcoa Inc, which reportedly regarded SATMA's factory as too old and underinvested to be of interest. So the UK market was effectively a duopoly.

5.58. Thyssen said that in recent years it had experienced increasing tensions with Alanod: tensions over the loss of the Thorn contract, where Thyssen believed it lost a major customer because Alanod mismanaged the negotiation; tensions over direct contact between Alanod and Thyssen customers, going beyond the provisions of the agreement between Thyssen and Alanod; tensions over pressure from Alanod over the prices charged, and margins earned, by Thyssen. Thyssen believed that Alanod had, on occasion, enhanced the price of wide coil to Thyssen relative to that for slit material, so that the slitting would be done at Alanod's factory in Germany thereby giving Alanod greater information on Thyssen's customers and control of its margins. Thyssen said that in some cases Alanod refused to supply wide coil in certain grades to prevent Thyssen from using this usually cheap material for other customers.

5.59. In late 1998 Thyssen was notified that its contract with Alanod would be terminated at the end of 1999. This was caused by the imminent acquisition of Ano-Coil by Alanod. As Ano-Coil had a complete distribution service for the UK Thyssen's services became redundant. It was envisaged that both brands would co-exist until the end of the year. It became quickly apparent that it was both difficult and not to Thyssen's advantage to sell Alanod products whilst other companies were aware that Ano-Coil was controlled by Alanod. Thyssen reached an agreement to end the arrangement prematurely at 31 July 1999.

5.60. In the meantime Thyssen had concluded an agreement with SACALL to serve as sole distributor for SACALL material in the UK. SACALL offered a comparable product in all grades except for

vacuum deposition products (Alanod's MIRO range), for which Alanod had a monopoly, semi-specular material and some coloured anodized coil.

5.61. Thyssen hoped to rebuild a strong business to offer choice to the market against Alanod. SACALL was a competent anodizer with sufficient capacity to cope with a good share of the market, combined with Thyssen's experience and distribution skills. Thyssen said that SACALL planned to build a third anodizing line towards the end of next year. SACALL originally expected to relocate its factory, but it now looked to keep all three lines in operation, increasing its capacity from 6,000–7,000 tonnes to nearer 10,000 tonnes. Thyssen believed that there was cause to be confident. Contact with customers had shown them to be concerned that the two credible places from which they could meet most of their requirements had become one, and over the implications for prices. The response from the market had varied from interest to relief that Thyssen had not withdrawn from the sector. Thyssen believed that parts of the market were very price sensitive, with customers prepared to switch between suppliers to get a better deal. There might be more resistance to switching at the more technical end of the market, where manufacturers were relying on the quality of the product to deliver high performance, but 80 per cent of the market was for more basic lighting products. [

Details omitted. See note on page iv.

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5.62. Thyssen said that it expected severe competition from Alanod, however. It believed Alanod's tactics would be to press Thyssen hard to test its staying power. Alanod knew the customers Thyssen had previously supplied with Alanod material, and had recently employed one of Thyssen's sales staff from this area. As Alanod already had a large team, Thyssen suspected that attracting the salesman with a 25 per cent increase in salary had more to do with harming Thyssen than the benefits the salesman could offer Alanod. Alanod continued to give a high profile in advertising etc to MIRO products, which Alanod was seeking to push and where no current alternative was available. Thyssen was unaware of anyone else investing, or likely to invest, in a line to produce MIRO-type products.

5.63. Thyssen had not reached a final view on whether the merger was for or against the public interest. It had certainly harmed Thyssen's immediate future, but given that Thyssen had to start again it was helpful that Alanod had such a large market share. Thyssen said that no doubt Alanod would continue to try to deter Thyssen's new venture. Thyssen expected that Alanod would use its monopoly product MIRO as a lever to obtain loyalty, but Thyssen thought that few customers would allow themselves to be influenced in this way. 80 per cent of the market was using a much more basic product and looking to use still lower-priced materials.

Trilux-Lenze GmbH & Co KG

5.64. Trilux-Lenze GmbH & Co KG said that the competition has been considerably restricted due to the acquisition of Ano-Coil by Alanod. As there were only a few suppliers which offered aluminium material that was suitable for the manufacturers of luminaires, Trilux-Lenze GmbH & Co KG assumed that Alanod would dominate the market.

3M Nederland BV

5.65. 3M Nederland BV said that it had no objections to the Alanod/Metalloxyd merger.