

23 April 2013: Wall and Partition Bricks

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The Autorité de la concurrence has decided to launch an in-depth examination into Bouyer-Leroux's plan to acquire Imerys TC assets.

> Version française



On 4 February 2013, Bouyer-Leroux notified the Autorité de la concurrence of the exclusive takeover of seven Imerys TC production sites, which manufacture wall and partition bricks, in the West and South of France.

Bouyer-Leroux and Imerys TC are two major manufacturers of wall bricks, and the two main partition brick manufacturers in France. The transaction affects the West and South-West of France as these are the regions where the parties' activities overlap.

The transaction requires in-depth examination

In the context of the examination of the case, and following an initial consultation with the players of the sector, the Autorité considers that the transaction raises competition concerns, and requires an in-depth examination (phase 2).

Indeed, the first-phase investigation shows that, in a context marked by regular increases in the price of the bricks manufactured by Bouyer-Leroux and Imerys TC, the strengthening of the new entity's competitive position, in particular in the wall brick market in Aquitaine and the partition brick market in the West of France, could lead to restricted competition in these markets.

Indeed, following the transaction, Bouyer-Leroux would hold a virtual monopoly over the manufacture of partition bricks in the West of France, and a very significant position in the manufacture of wall bricks in Aquitaine, without competing manufacturers or customers being in a position to counterbalance the market power of the new entity.

The commitments proposed by Bouyer-Leroux will not adequately remedy the risks to competition identified at this stage of the procedure.

On 2 April 2013, the Autorité de la concurrence received a list of proposed commitments from Bouyer-Leroux. The Autorité then consulted the companies in the sector once again. Following this consultation, the Autorité considers that the commitments proposed by Bouyer-Leroux will not adequately and effectively remedy the effects of the transaction.

During the phase 2 examination, the Autorité will carry out a wider consultation with the companies in the sector. In particular, the Autorité will be keen to determine whether the strong positions of Bouyer-Leroux and Imerys TC adversely affect competition, given the current operation of the markets in question. The Autorité will also consult the companies in the sector, if necessary, on the remedies that could be employed to counterbalance potentially adverse effects on competition.

The legal texts state that this investigation should in principle be carried out within 65 working days from the launch of phase 2, but that this time limit can be extended if necessary, for example in order to successfully finalise the commitments or take account of any new facts.

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