



press notice

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MONOPOLIES AND MERGERS COMMISSION REPORT ON THE ENTERPRISES
OF ALAN J LEWIS AND JARMAIN & SON LIMITED

The Secretary of State for Trade and Industry, Michael Heseltine, has accepted statutory undertakings from Hartley Industrial Trust Limited (an investment company owned by Mr Alan J Lewis) to remedy the adverse effects on competition, which the Monopolies and Mergers Commission (MMC) had concluded had arisen from the acquisition of Jarmain & Son Limited by Juststrong Limited (another company controlled by Mr Lewis).

The MMC found that the acquisition of Jarmain by Mr Lewis had led to a significant increase in concentration in the commission wool scouring market in the UK since Mr Lewis also controlled another commission scourer, Woolcombers (Scourers) Limited, trading under the name of Alston Scouring Company.

The MMC recommended that Mr Lewis should be required to dispose by sale at a public auction of Alston's three scouring lines including one that had been transferred to Jarmain which they recommended should not be replaced for twelve months after its sale.

The MMC also recommended that Mr Lewis should give an assurance that no merchant controlled by the British Wool Marketing Board would be constrained to place its business with a scourer controlled by Mr Lewis.

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The then Secretary of State, Peter Lilley, announced, following publication of the MMC's report, that he had accepted their recommendations except that, in accordance with advice from the Director General of Fair Trading, he did not consider it necessary to specify that the sale of the lines be by auction, only that the assets be sold to a purchaser approved by the Director General. Mr Lilley requested the Director General to seek appropriate undertakings from Mr Lewis.

Mr Heseltine has now accepted, in accordance with the Director General's advice, that Hartley Industrial Trust Ltd should be required to decommission for a period of twelve months, but not to sell, the Alston line that has been transferred to Jarmain. The undertakings given provide for the following:

- i. the 6' scouring line at Jarmain's Huddersfield mill which was transferred from Alston will be decommissioned for a period of twelve months. During this period the Jarmain business will not acquire, build or operate an additional wool scouring line;
- ii. the two remaining Alston lines will be sold, or rendered inoperable, within a period of eighteen months; and
- iii. confirmation that no merchants controlled by the British Wool Marketing Board will be obliged to place scouring business with any company under Mr Lewis' control.

The full text of the undertakings is attached.

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NOTES TO EDITORS

1. Mr Lilley referred the acquisition of Jarman & Son Limited by Juststrong Limited, a company controlled by Mr Alan J Lewis to the Monopolies and Mergers Commission on 20 March 1991. The reference was made in accordance with the recommendation of the Director General of Fair Trading. The Commission reported to Mr Lilley on 19 June 1991. The report was published on 13 August 1991.

2. Under Section 88 of the Fair Trading Act 1973, where a report from the MMC concludes that a merger may be expected to operate against the public interest, the Secretary of State may request the Director General of Fair Trading to consult the relevant parties in order to obtain undertakings with a view to remedying or preventing the adverse effects specified in the report.

Press Enquiries: 071-215 5971/2/3
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ENDS

MR ALAN J LEWIS/JARMAIN AND SON LIMITED

MERGER REFERENCE TO THE MONOPOLIES AND MERGERS COMMISSION

FINAL UNDERTAKINGS

Following the report of the Monopolies and Mergers Commission on the acquisition of Jarmain & Son Limited by enterprises carried on by or under the control of Mr Alan J Lewis Hartley Industrial Trust Limited gives the following undertakings to the Secretary of State:

In these undertakings:

"control" is to be construed in accordance with section 65(3) of the Fair Trading Act 1973;

"the Director" means the Director General of Fair Trading;

"the Alston Business" means the business of Woolcombers (Scourers) Limited;

"the Jarmain Business" means the business of Jarmain & Son Limited;

"the Alston lines" means the two woolscouring lines situated at the date hereof at Alston Scouring Limited, Cemetery Road, Bradford, as part of the Alston business;

"the Jarmain line" means the woolscouring line transferred from the Alston business to the Jarmain business;

"relevant term" means a term in an agreement by which any enterprise under the control of the British Wool

Marketing Board is under any obligation to place its woolscouring business with any enterprise under the control of Hartley Industrial Trust Limited.

Hartley Industrial Trust Limited undertakes that:-

- (1) it will procure that, for a period beginning with the date hereof and ending on **7th** July 1993, the Jarmain line will be and remain decommissioned, and will not be used for woolscouring;
- (2) it will procure that, for the period mentioned in paragraph (1) above, the Jarmain business will not acquire, build or operate an additional woolscouring line;
- (3) subject to paragraphs (4) below, it will procure that, by **7th** January 1994, each of the Alston lines is sold, or rendered permanently inoperable to the satisfaction of the Director;
- (4) it will procure that prior notice is given to the Director of the identity of any person to whom any sale is proposed to be made pursuant to paragraph (3) above; and it will procure that no such sale is made to that person without the Director's prior consent;
- (5) it will procure that any enterprise which is under its control will not make or carry out an agreement to the extent that it contains a relevant term; and, if at any time an agreement containing a relevant term is in force, it will procure that such enterprise terminates the relevant term forthwith;

(6) it will, and will procure that all enterprises directly or indirectly under its control will, provide promptly to the Director such information as he may reasonably require for the purpose of monitoring compliance with the above undertakings.

Signed for and on behalf of Hartley Industrial Trust Limited:-

Director..... Date 7/7/92.....