



**Jersey Competition Regulatory Authority ('JCRA')**

**Public Version of**

**Decision M389/09**

**Proposed Acquisition**

**of**

**Jersey Coal Distributors Limited**

**by**

**B.G. Romeril & Company Limited**

### **The Notified Transaction**

1. On 4 March 2009, the JCRA received an application (the ‘**Application**’) for approval under Articles 20 and 21 of the Competition (Jersey) Law 2005 (the ‘**Law**’) concerning the proposed acquisition by B.G. Romeril & Company Limited (“**Romerils**”) of the business and assets of the coal division of Jersey Coal Distributors Limited (“**Jersey Coal**”).
2. The JCRA registered a notice of its receipt of the Application in the Jersey Gazette and on its website on 5 March 2009 inviting comments on the proposed acquisition by 19 March 2009. No comments were received. In addition to public consultation, the JCRA conducted its own market enquiries concerning the proposed acquisition.

### **The Parties**

- (a) *Romerils*

  3. Romerils is a Jersey registered company [REDACTED]. According to the Application, Romerils is active in selling plumbing, heating and home improvement products to both wholesale and retail customers. Romerils is not currently active in the sale or distribution of any coal or solid fuel products; however, Romerils does supply stoves, furnaces, and other fires that make use of solid fuels.
- (b) *Jersey Coal*

  4. Jersey Coal is a Jersey registered company, owned by EJ Henry Limited (a Guernsey registered company). According to the Application, Jersey Coal is active in the distribution of house coal (for open fires) and smokeless fuel (for stoves) to retail customers in Jersey. Jersey Coal is also active in selling garden and leisure products, stoves and fireplaces, although these activities are not subject to the proposed acquisition.

## **The Requirement for JCRA Approval**

5. According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the JCRA. According to Article 2(1)(b) of the Law, a merger or acquisition occurs for the purpose of the Law if a person who controls an undertaking acquires direct or indirect control of the whole or part of another.
6. Pursuant to the proposed acquisition, Romerils would acquire control of Jersey Coal's coal division as defined under Article 2(1)(b). The parties applied for JCRA approval under Article 1(4) of the Competition (Mergers and Acquisitions) (Jersey) Order 2005 (the '**Order**'), on the basis that Jersey Coal has an existing share of supply of more than 40% of coal distribution in Jersey. On the basis of these facts, pursuant to the Order, the JCRA's approval is required under Article 20(1) of the Law before the proposed acquisition is executed.

## **Assessment**

7. Under Article 22(4) of the Law, the JCRA must determine if the proposed acquisition would substantially lessen competition in Jersey or any part thereof, pursuant to the procedures set forth in the JCRA Merger Guideline.<sup>1</sup>
8. The JCRA has investigated if the proposed acquisition has any horizontal, vertical or conglomerate aspects that could indicate that the proposed acquisition could result in a substantial lessening of competition. During its investigation, the JCRA has obtained information and opinions from various competitors and customers. This market consultation did also not result in any competitive concerns. In particular, there are no horizontal overlaps arising from the proposed acquisition, or otherwise no appreciable vertical or conglomerate effects arising therefrom.

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<sup>1</sup> JCRA Guideline, *Mergers and Acquisitions* sections 5 and 6.

9. Therefore, based on its competitive assessment, the JCRA concludes the proposed transaction will not result in a substantial lessening of competition in Jersey or any part thereof.

**Conclusion**

10. The JCRA hereby approves the proposed acquisition under Article 22(1) of the Law.

**25 March 2009**

**By Order of the JCRA Board**