



Determination of the Competition Authority

Determination No. M/03/045 of the Competition Authority, dated 23rd of January 2004, under Section 21 of the Competition Act, 2002

Notification No. M/03/045 – Acquisition by Barry’s Tea and Bank of Scotland (Ireland) Limited of Northern Foods (Ireland) Limited

Introduction

1. On 24th of December 2003 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Maiden Acquisition Company Limited (“Maiden”), jointly owned by Barry’s Tea and Bank of Scotland (Ireland) Limited (“BOSI”) and incorporated for the purposes of this transaction, would acquire Northern Foods (Ireland) Limited (“NFIL”).

The Parties

2. Maiden, a company incorporated in Ireland, has been set up by Barry’s Tea and BOSI to acquire the shares of NFIL. Anglo Irish Bank Corporation Plc will provide debt finance for the proposed transaction.
3. Barry’s Tea is a wholly owned subsidiary of Barry’s (Cork) Limited. The Barry family owns Barry’s Tea. Barry’s Tea is active in the blending, packaging and wholesaling of tea in Ireland. Barry’s Tea supplies tea for sale mainly in the retail sector.
4. BOSI is active in the financial sector. BOSI is involved in commercial lending, working capital, business current accounts, commercial asset finance, motor finance, property finance, and treasury and investments. ICC Venture Capital, a wholly owned subsidiary of BOSI, is the unit that is entering into the investment in Maiden. BOSI is not active in any of the sectors in which Barry’s Tea and NFIL are active.
5. Northern Foods Plc, a company listed in the UK, owns NFIL. NFIL is active in the manufacture, processing and distribution of food and beverages for resale by the retail sector in Ireland and also supplies certain beverages to the hotel/restaurant sector. NFIL carry out these business activities through the following companies:
 - (a) Batchelors Limited which is active in canned, peas, canned beans, biscuits, 1 litre/500 ml juice, ready-to-drink juice, canned corn, Mexican ethnic food and coffee. NFIL submitted that it has distribution arrangements with Lavazza and Douwe Egberts to supply their brands of coffee. Both brands are supplied to hotels, bars and restaurants. It sells some quantity of the Lavazza brand to the retail sector and estimates that its market share of the retail coffee market is approximately []. It also supplies a minimal amount of the Douwe Egberts tea label, an activity valued at [], to hotels, bars and restaurants. NFIL does not supply this tea label to the retail sector.



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(b) Beck Smith & Associates Limited which is active in canned fruit and canned fish.

Analysis

6. For the purposes of assessing this transaction it is not deemed necessary to arrive at a conclusion of the relevant market, as there is minimal overlap between the parties' business activities. NFIL sells a limited amount of tea to the hotel/restaurant sector, whereas Barry's Tea supplies its tea mainly for sale by the retail sector. Barry's Tea is not active in the other business sectors in which NFIL is active.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the transaction may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

23rd January 2003