



Determination of the Competition Authority

Determination No. M/03/016 of the Competition Authority, dated 15 July 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/016 – Acquisition by March UK Limited of GUS Ireland Limited and its subsidiaries

Introduction

1. On 16 June 2003 the Competition Authority, in accordance with Section 18 of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby March U.K. Limited (March) would acquire GUS Ireland Limited and its subsidiaries (GUS Ireland), the Irish home shopping business of GUS plc. The Authority, in accordance with s 23(1)(b) of the Act, notified the parties that it considers the transaction to be a media merger.

The Parties

2. March is a UK company ultimately controlled by Sir David Barclay and Sir Frederick Barclay who also ultimately control Littlewoods Limited (Littlewoods), a UK non-food retail business with interests in high street stores, catalogue stores, mail order catalogues, online sales and related businesses. Sir David Barclay and Sir Frederick Barclay also ultimately control the Scotsman Publications Limited, a Scottish newspaper business and The Business Publishing Limited which publishes a weekly business newspaper. There are a small amount of sales of those publications in the State.
3. GUS Ireland is an Irish based home shopping catalogue business operating in the State. Its principal brands in the State are “Family Album”, “Celtic Hampers”, “Family Hampers”, “Kays” and “Morses”, offering a home shopping service to customers via catalogues. The catalogues offer customers a wide range of goods and additional services such as credit insurance. GUS Ireland formed part of the GUS retail group, a UK group with interests in retail, home shopping and financial services.

Analysis

4. There is no significant degree of overlap between the parties’ activities within the State. As part of its UK operations, Littlewoods has home shopping activities on the island of Ireland, but these activities are limited to Northern Ireland. Any sales into the State are insignificant cross-border sales. Although Littlewoods operates an online catalogue service within the UK, this service is not available to consumers within the State. GUS Ireland’s home shopping activities are limited to the State. It does not operate within Northern Ireland, which is served by the GUS group’s UK-based operation.
5. The Authority found that the relevant geographic market in this matter was likely to be limited to the State, rather than a broader market encompassing the UK or a European-wide market. It found that home shopping channels tend to operate



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separate local facilities and separate catalogues in the State because of differences in currency, delivery services, taxes, credit referencing systems, and the need to establish local warehousing and returns facilities.

6. Nevertheless, the Authority did not form a definitive view on the geographic dimension of the market, as on either a broad or narrow definition, the acquisition was unlikely to have a substantial competitive impact within the State. Littlewoods had no plans to extend its activities into the State. Accordingly, even on a broader market definition, the impact of the proposed transaction on competition within the State would be minimal.
7. In forming its view, the Authority also considered whether the removal of Littlewoods as a potential entrant would have had a substantial effect on competition. As Littlewoods had no entry plans, and as a potential entrant it was not found to currently constrain the behaviour of existing competitors within the State, the Authority found that the acquisition would not result in the removal of a significant competitive constraint from the market.

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 acquisition may be put into effect.

For the Competition Authority

Terry Calvani
Member of the Competition Authority
15 July 2003