



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC TO NOT OPPOSE BLUESCOPE STEEL'S PROPOSED ACQUISITION OF FIELDERS AUSTRALIA

The Australian Competition and Consumer Commission will not oppose the proposed acquisition by BlueScope Steel Ltd of Fielders Australia.

BlueScope, through its subsidiary Lysaght, competes with Fielders in the manufacture and supply of roll formed products. Roll formed products are used in all types of building structures and customers include builders, roof installers and shed manufacturers.

BlueScope is the only domestic manufacturer of various types of steel coil, which are the key inputs in the roll formed product manufacturing process. BlueScope's painted steel brand COLORBOND enjoys a very high level of market recognition, particularly when it is used in residential applications, such as roofing.

The ACCC conducted extensive market inquiries following the publication of the Statement of Issues, which was released on 5 December 2013.

"The ACCC concluded that the acquisition would be unlikely to substantially lessen competition in any relevant market," ACCC Chairman Rod Sims said.

"In reaching its decision, the ACCC considered that while BlueScope has market power in the supply of painted coil inputs through its COLORBOND product lines, this level of market power would not be altered by the acquisition."

"The ACCC determined that BlueScope does not already discriminate against other roll formers in favour of Lysaght in the supply of inputs and that there are strong economic incentives for BlueScope to maintain competitive supply to rival roll formers. These incentives include the need to operate the blast furnace at its Port Kembla steelworks at full capacity and the greater profits it earns on domestic sales over exporting excess production," Mr Sims said.

In relation to steel formwork, the ACCC considered that while the acquisition represents the merger of two of the main suppliers, customers would continue to have strong alternative suppliers.

In addition, BlueScope would likely be constrained by the threat of new entry from existing major roll formed product manufacturers and in some cases the ability of customers to use timber formwork instead of steel formwork.

A Public Competition Assessment outlining the ACCC's reasons for its decision will be available in due course.

Further information is available on the [mergers register](#).

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