



Australian
Competition &
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NEWS RELEASE

ACCC WILL NOT OPPOSE PROPOSED ACQUISITION OF ONESTEEL SHEET AND COIL BY BLUESCOPE FOLLOWING DIVESTITURE REMEDY

The Australian Competition and Consumer Commission has announced that it will not oppose the proposed acquisition of the OneSteel Sheet and Coil business from Arrium Limited by BlueScope Steel Limited after accepting an undertaking from BlueScope to sell its sheet and coil processing assets in Western Australia.

OneSteel Sheet and Coil is a distributor of a range of flat steel products collectively referred to as sheet and coil products. OneSteel Sheet and Coil has distribution sites in Sydney, Brisbane, Adelaide and Perth. BlueScope, through its subsidiaries Sheet Metal Supplies and Impact Steel, is also a distributor of sheet and coil products from sites in Melbourne, Sydney, Brisbane, Adelaide and Perth. BlueScope is also the only domestic manufacturer for the majority of flat steel products supplied to sheet and coil distributors.

After consultation with a range of market participants, including sheet and coil distribution customers, rival sheet and coil distributors and industry associations, the ACCC identified competition concerns in sheet and coil distribution in Western Australia.

"In the Western Australian market the proposed acquisition would remove BlueScope's main competitor and the only other alternative distributor with significant processing capability," ACCC Chairman Rod Sims said.

"The ACCC was concerned that, because of this, the proposed acquisition could have led to higher prices, less favorable terms of supply and a reduced range of products in sheet and coil distribution in Western Australia in the absence of the proposed divestiture," Mr Sims said.

BlueScope has agreed to provide a court enforceable undertaking requiring it to sell its sheet and coil processing assets in Western Australia to an ACCC approved purchaser. The ACCC clearance includes approval of Selection Steel as the purchaser of the divestiture business.

Selection Steel is a sheet and coil distributor headquartered in Melbourne with a presence in all states. Its operations in Western Australia consist of a stocking centre where it distributes limited volumes of sheet and coil products.

"The divestiture of BlueScope's sheet and coil processing assets to Selection Steel should enable Selection Steel to expand its operations in Western Australia and compete with BlueScope, particularly in the processing of sheet and coil products," Mr Sims said.

"The ACCC is therefore satisfied that the proposed acquisition is unlikely to substantially lessen competition in sheet and coil distribution in Western Australia," he said.

The ACCC will issue a public competition assessment in due course. The undertaking is available on the register.

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