

# CMA considers remedy to address concerns in chemical admixtures merger

In November 2021, Swiss firm Sika agreed to buy the German based MBCC Group in a £4.5 billion deal. Sika and MBCC are the 2 largest UK suppliers of chemical admixtures, which are an essential input for products like concrete and cement used in the construction industry and control various characteristics of concrete, such as its strength or setting time.

The companies are widely regarded as the strongest suppliers in the UK market, particularly in relation to their product development and innovation capabilities, and together account for over half of the UK supply.

Following an initial Phase 1 investigation, the CMA identified competition concerns in the supply of chemical admixtures in the UK. As a result, the CMA referred the deal for an in-depth Phase 2 investigation in August 2022.

Early in the Phase 2 investigation, the 2 businesses conceded that the deal raises competition concerns and asked the CMA to “fast-track” the case to the assessment of a remedy that could address those concerns.

The CMA accepted the businesses’ request and has provisionally found that the deal could reduce competition. Without remedies to restore this loss of competition, the deal could reduce the level of innovation, services and quality available to concrete producers, as well as leading to higher prices.

To address this, the merging businesses have now proposed to sell MBCC’s chemical admixtures business in the UK, Europe and several other countries. The next stage of the CMA’s investigation will focus on assessing whether this will fully replace the loss of competition arising from the merger, and the CMA is currently consulting on the remedies that have been proposed.

Richard Feasey, Independent CMA Panel Chair, said:

The firms accept that the merger could reduce competition in the UK chemical admixture market. If it were to go ahead without a remedy, this could lead to higher prices for UK concrete producers and less innovation, lower service levels and poorer quality.

The next stage of our investigation is focussed on making sure that any remedy properly addresses these concerns to avoid any adverse impact for UK businesses and consumers.

The CMA is asking for views on the remedy offered by 4 November 2022 and on its provisional findings by 15 November 2022. The statutory deadline for the CMA’s final report is 24 January 2023.

For more information, visit the [Sika AG / MBCC Group merger inquiry page](#).

1. Under the Enterprise Act 2002, the CMA has a duty to make a reference to Phase 2 if the CMA believes that it is or may be the case that a relevant merger situation has been created, or arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted in, or may be expected to result in, a substantial lessening of competition (SLC) within any market or markets in the United Kingdom for goods or services.
2. The Parties propose to sell MBCC's chemical admixture businesses in the UK, the EEA, Switzerland, the United States, Canada, Australia and New Zealand to a single purchaser. The CMA will need to approve the purchaser before the deal is finalised.
3. The process that applies where merging parties request to concede an SLC is set out in paragraphs 7.18 to 7.21 of [CMA2 revised](#).
4. In addition to conceding that the deal raises competition concerns in relation to the SLC identified at Phase 1, the firms have agreed to waive their right to challenge this position during the CMA's Phase 2 investigation and have submitted a proposed remedy to address the concerns identified.
5. For media enquiries, contact the CMA press office on 020 3738 6460 or [press@cma.gov.uk](mailto:press@cma.gov.uk).