

# CMA finds concerns in proposed chemicals merger

Press release

The CMA has found that the anticipated purchase of MBCC Group by Sika AG could lead to a loss of competition in the supply of chemical admixtures in the UK.



Chemical admixtures are an essential input for products like concrete and cement used in the construction industry. These specialty chemicals are commonly used to improve the strength of concrete or to control its setting time, to allow wet concrete to be transported over longer distances or held on-site for longer periods.

Chemical admixtures, which have become increasingly important as construction methods have developed, also play a key role in reducing the cost and environmental impact of concrete production.

Sika AG is a Swiss-based multinational specialty chemical company active across the construction sector and motor vehicle industry. MBCC is also a leading global supplier of construction chemicals and solutions. Sika announced its intention to acquire MBCC, in a deal valued at around £4.5 billion, in November 2021.

Sika and MBCC are the two largest suppliers of chemical admixtures in the UK and compete closely, particularly for customers with large volume requirements. Both companies are also two of the few competitors able to support customer requirements for product development and innovation. The CMA found that the combined business would account for over half of admixtures supplied in the UK after the merger and face limited competition, giving customers less choice and potentially leaving them facing higher costs and reduced innovation.

Colin Raftery, Senior Director of Mergers at the CMA, said:

Chemical admixtures are vital to the UK construction industry, used in projects that range from laying pavements to the very largest infrastructure projects.

The loss of competition that this deal could bring about could lead to higher prices and poorer quality products for customers, increasing the costs of these projects.

Sika AG and MBCC Group now have 5 working days to submit proposals to address the CMA's concerns. If suitable proposals are not submitted, the deal will be referred for an in-depth Phase 2 investigation.

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

1. For media enquiries, contact the CMA press office on 020 3738 6460 or [press@cma.gov.uk](mailto:press@cma.gov.uk).
2. As part of its investigation, the CMA also considered whether there would be an SLC in relation to certain products used in drinking water infrastructure in the UK, and structural cementitious grouts used for offshore wind turbine installation. In both instances however it found that there would be sufficient competitive constraints to prevent an SLC.
3. Under the Enterprise Act 2002 (the Act) 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, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

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