

Packaging merger raises competition concerns

The Competition and Markets Authority (CMA) has been investigating Liqui-Box's proposed takeover of DS Smith's rigid and flexible packaging business.

As part of its initial, Phase 1, investigation the CMA found that Liqui-Box and DS Smith are 2 of the 4 main companies in the UK, offering a specialist type of packaging called Bag-in Box to food, wine, dairy and drink suppliers.

If the deal is allowed to go ahead as planned, the CMA is concerned it could create insufficient competition in the supply of these products, leading to their customers potentially having less choice and paying higher prices, especially as there are very few large suppliers in the UK.

The CMA is also concerned that the reduction in competition could lead to lower quality products and/or a poorer service.

If the merging businesses are unable to address the CMA's concerns, the deal will be referred for an in-depth Phase 2 investigation to be carried out by a group of independent CMA panel members.

All information relating to the merger is available on [Liqui-Box/DS Smith inquiry page](#).