

# [Press release: CMA orders sale of scrap metal recycling yards](#)

Having considered responses to the provisional findings of its [Phase 2 merger inquiry](#) published in June, and further analysis of the evidence, an independent inquiry group from the Competition and Markets Authority (CMA) is concerned the merger between European Metal Recycling (EMR) and Metal Waste Recycling (MWR) could lead to a worse deal for customers and suppliers.

The inquiry group's final report of the in-depth (phase 2) investigation, published today (14 August), said the merger would harm the choices available to suppliers (such as car breakers) that supply shredder feed (scrap metal that needs to be shredded) in the South East of England, and others such as car manufacturers that sell large volumes of scrap metal through tendered contracts in the West Midlands and the North East of England.

It also found that the merger is likely to lead to a worse deal for customers in the UK that buy a certain type of scrap metal known as new production steel.

The CMA is requiring that EMR sell 5 of the sites it bought from MWR: three in the West Midlands, one in the North East and one in the South East.

In other areas of the business, including the buying (not via a tendered contract) and selling of general scrap metal, the CMA did not find the merger would substantially weaken competition.

EMR is the largest recycler of scrap metal in the UK, while MWR is the fourth largest.

Inquiry chair Lesley Ainsworth, said:

Having an efficient and competitive metal recycling industry is good for the environment and is important for both suppliers and waste metal customers, including those in the automotive and steel manufacturing industries.

Over the course of our inquiry we surveyed, spoke to or received comments from over 850 suppliers and customers. The evidence shows that EMR's purchase of MWR is likely to harm competition in a number of areas and there is a material risk that prices for some suppliers and customers could worsen.

To ensure competition is maintained, we are requiring EMR to sell off some of the sites that it bought from MWR.

Further details are available on the investigation [case page](#).

## Notes to editors:

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. For CMA updates, follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#).
3. The companies buy scrap metal from factories, car breakers, local authorities and other sources – providing a waste removal and recycling service to thousands of organisations in the UK – then process it before export or sale to UK metal mills and foundries. The CMA is requiring that EMR sell three sites in the West Midlands, one site in the North East, and one site in the South East.
4. Shredder feed is specific grades of scrap metal that require processing using a shredder (a large piece of recycling equipment), for example end of life vehicles.
5. The EMR/MWR inquiry group consists of [Lesley Ainsworth](#) (Group Chair), [Richard Feasey](#), [Andrew Popham](#) and [Stuart McIntosh](#).
6. The CMA referred the merger for an in-depth phase 2 investigation in February 2018, after an initial inquiry found that the merger may raise concerns.
7. All the CMA's functions in phase 2 merger inquiries are performed by independent inquiry groups chosen from the CMA's panel members. The appointed inquiry group are the decision-makers on phase 2 inquiries.
8. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and business; the membership of an inquiry group usually reflects a mix of expertise and experience (including industry experience).
9. Media enquiries should be directed to the CMA press office on 020 3738 6460 or [press@cma.gov.uk](mailto:press@cma.gov.uk)