

Press release: Shoppers could face higher prices due to soft drink merger

The Competition and Markets Authority (CMA) has been carrying out an initial investigation into Refresco's proposed \$1.25 billion (about £935 million) purchase of Cott's worldwide beverage manufacturing business.

In the UK, Refresco and Cott manufacture, package and distribute soft drinks for a number of well-known brands, supermarkets and shops.

Each business produces a range of different soft drinks, which are then packaged in a variety of formats and sizes. The CMA's initial investigation into the merger did not find any competition concerns for the majority of these products.

However, both companies supply juice drinks using a special aseptic production process that allows them to be sold preservative-free and without refrigeration.

Only one other competitor in the UK currently supplies third parties with juice drinks using this production process. The CMA is therefore concerned that, after the merger, the combined business might be able to increase prices or lower quality standards.

Rachel Merelie, CMA Acting Executive Director and decision maker in this case, said:

These companies supply well-known UK shops and brands with soft drinks, who in turn sell these to thousands of people daily. It is therefore important that we address any issues to ensure that shoppers do not lose out.

We have looked at all aspects of this merger and have concerns that the merger could lead to reduced competition in the manufacturing and packaging of certain juice drinks. This may result in higher prices or quality standards slipping for stores and brands, with potential knock-on effects to end-consumers.

The CMA will now refer the merger for an in-depth investigation unless Refresco offers acceptable undertakings to address competition concerns.

All information relating to the merger is available on the [case page](#).

Notes for 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. Enquiries should be directed to the Press Team, on 020 3738 6191 or press@cma.gsi.gov.uk.
3. For information on the CMA see our [homepage](#), or follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on merger cases.