



Australian  
Competition &  
Consumer  
Commission

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# NEWS RELEASE

## **ACCC CALLS FOR COMMENT ON BLUESCOPE STEEL'S PROPOSED ACQUISITION OF ONESTEEL SHEET AND COIL**

The Australian Competition and Consumer Commission has released a Statement of Issues on BlueScope Steel Ltd's proposed acquisition of the OneSteel Sheet & Coil business from Arrium Ltd.

OneSteel Sheet and Coil is a distributor of sheet and coil products, operating from sites in Sydney, Brisbane, Adelaide and Perth. BlueScope, through its subsidiaries Sheet Metal Supplies and Impact Steel, is also a distributor of sheet and coil products from sites in Melbourne, Sydney, Brisbane, Adelaide and Perth. In addition, BlueScope is the only domestic manufacturer of the main steel products supplied to sheet and coil distributors.

Both OneSteel Sheet and Coil and the BlueScope distribution businesses have processing capability at all of their sites. Processing capability means the sheet and coil distributor has equipment at its site that enables it to slit, shear or recoil sheet and coil products to meet specific customer requirements.

Customers of sheet and coil distributors include businesses in the construction, agriculture and manufacturing sectors. These customers will often utilise processed or unprocessed sheet and coil products in additional manufacturing or transformation processes to produce end use steel products.

"The ACCC's preliminary view is that the proposed acquisition raises significant competition issues in relation to sheet and coil distribution in Western Australia," ACCC Chairman Rod Sims said.

"Market inquiries have identified strong concerns that the proposed acquisition would remove OneSteel Sheet and Coil as an effective competitor and the main alternative to BlueScope in Western Australia, particularly for customers that require processed sheet and coil products."

"Customers in Western Australia consider BlueScope and OneSteel Sheet and Coil to be the only significant sheet and coil distributors with processing capability. The ACCC is not currently satisfied that other sheet and coil distributors in Western Australia would represent a viable alternative to BlueScope post-acquisition," Mr Sims said.

Alternative sheet and coil distributors do not have processing capability and the barriers to obtaining processing capability appear high. The ACCC also considers that imports of processed and unprocessed sheet and coil products would not represent a viable alternative for most Western Australian customers of the merger parties.

The ACCC invites further submissions from the market in response to the Statement of Issues by 24 January 2014. The ACCC's proposed final decision date is 20 February 2014.

Submissions can be sent by email to the ACCC at [mergers@acc.gov.au](mailto:mergers@acc.gov.au).

Further information is available at [www.accc.gov.au](http://www.accc.gov.au)

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