

NEWS RELEASE



Australian
Competition &
Consumer
Commission

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A.C.C.C. NOT TO OPPOSE CAPRAL'S PROPOSED ACQUISITION OF CRANE'S ALUMINIUM BUSINESS

The Australian Competition and Consumer Commission will not oppose the proposed acquisition of Crane Group Limited's aluminium business, ACCC Chairman, Mr Graeme Samuel, announced today.

"Capral is proposing to acquire Crane's aluminium extrusion, finishing and distribution businesses", he said.

These businesses include Crane Aluminium Extrusions, Crane Aluminium Systems and Smart Aluminium.

"The ACCC has formed the view that while the proposed acquisition would result in a significant increase in Capral's share of the market for the manufacture of extruded aluminium products, Capral will continue to face strong and vigorous competition from imports following the acquisition.

"Imports of aluminium extrusions have risen consistently during the past decade and now represent around 40 per cent of aluminium extrusions consumed in Australia", he said.

The ACCC investigated concerns expressed by some market participants that, due to the longer lead times of imports, they do not constitute viable substitutes for extrusions that require short lead times for delivery.

However, the ACCC's market inquiries revealed that the market for the distribution of aluminium extrusions is very competitive and history has shown that market participants are likely to respond to alleviate any perceived or real barriers to importing.

"The ACCC also noted that barriers to entry in the aluminium extrusion market are not so high as to prevent new entrants in the form of fabricators or distributors vertically integrating or other participants with contractual or other relationships with fabricators entering the extrusion market", Mr Samuel said.

The ACCC will continue to monitor import levels and any anti-dumping claims in relation to aluminium extrusion imports.

Media inquiries

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