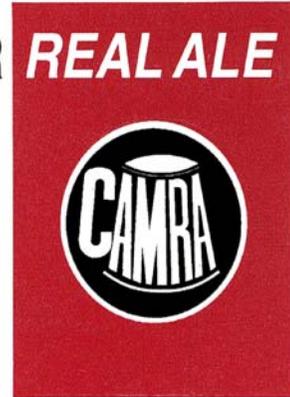


# CAMPAIGN FOR *REAL ALE*



13<sup>th</sup> September 2004

T J Oyler Esq  
Secretary to the SDEL/Coors Merger Enquiry  
Competition Commission  
Victoria House  
Southampton Row  
London  
WC1B 4AD

Dear Mr Oyler

## **Anticipated Acquisition by SDEL of the Technical Services Function of Coors Brewers Ltd**

CAMRA, the Campaign for Real Ale, warmly welcomes the enquiry into the proposed acquisition by SDEL of the technical services function of Coors Brewers Ltd

We believe that the acquisition could reduce the competition within the market for technical services equipment in the on-trade for the dispense of beer and cider,

SDEL already runs the technical services functions for Carlsberg UK and Scottish & Newcastle. With the addition of Coors the company would be responsible for technical dispense services for three of the four largest breweries in the UK who together possess a 60% share of the market.

Whilst we recognise that there could be benefits for the consumer we believe that there are serious issues that need to be addressed before the acquisition can be allowed to proceed.

We are particularly concerned that the company responsible for dispense services would have a service commitment to the three largest breweries in the country with a 60% share of the beer market. This could lead to barriers to entry, actual and perceived, for smaller breweries trying to gain access to dispense points on the bars of the UK's pubs.

There has been a history of brewers refusing permission for other brewers' beers to be served through handpumps that had been installed or owned by that brewer. This was particularly noticeable when licensees of national brewers were entitled to stock one cask conditioned beer of their choice under the 1989 Beer Orders but were refused permission by their brewer landlords from using handpumps that had been installed by that brewer. We would wish to receive guaranteed assurances from both SDEL and Coors, as well as Carlsberg and Scottish & Newcastle, that such a situation would not re-occur.

We also believe that there could be a tendency for SDEL to concentrate on dispense systems for keg and nitro-keg ales and lagers – the main products of the three main breweries to the detriment of dispense systems for cask conditioned beers – i.e. handpumps, electric and air pumps.

This could lead to a reduction in the quality and in fact the number of dispense systems for the sale of cask conditioned beer.

In the light of the above concerns we would like the opportunity to discuss these matters further with you and to seek assurances that the proposed acquisition would not stifle competition in the supply of technical services and equipment in the beer and cider on-trade.

We look forward to hearing from you.

Yours sincerely

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Iain R Loe  
Research and Information Manager