



Australian
Competition &
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Commission

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NEWS RELEASE

A.C.C.C. NOT TO OPPOSE PROPOSED ACQUISITION OF DYNOL NITRO LIMITED BY INCITEC PIVOT LIMITED

The Australian Competition and Consumer Commission will not oppose the proposed acquisition of Dynol Nitro Limited by Incitec Pivot Limited, ACCC Chairman, Mr Graeme Samuel, said today.

"After conducting extensive market inquiries, the ACCC concluded that the proposed acquisition would not be likely to substantially lessen competition in the manufacture and supply of ammonia, ammonium nitrate or fertiliser products."

Dynol Nitro Limited manufactures and supplies explosives and has an equity interest in Queensland Nitrates Pty Ltd, an ammonium nitrate producer. QNP is a joint venture between Dynol and CSBP Limited (a fertiliser and ammonium nitrate manufacturer in Western Australia). Incitec Pivot Limited manufactures and supplies fertiliser products, predominantly in eastern Australia. While ammonium nitrate is a key input to the supply of explosives, it is no longer a significant input to fertiliser production in Australia.

"The ACCC recognised that Incitec and CSBP would be partners in the QNP joint venture for ammonium nitrate production whilst currently competing to a limited extent in the supply of fertiliser products to Australian customers. Moreover, the ACCC's market inquiries suggested that there is a potential for increased competition in future between CSBP and Incitec in fertilisers. However, the ACCC considered that Incitec and CSBP's participation in the QNP joint venture would be insufficient to increase the ability and incentive for them to engage in coordinated conduct in the supply of fertiliser products.

"The ACCC also found that the proposed acquisition was unlikely to remove an actual or potential competitor in the supply of ammonia and ammonium nitrate.

"Accordingly, the ACCC formed the view that the proposed acquisition was not likely to substantially lessen competition in any relevant market."

Media inquiries

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