

Regulatory Story

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CC PROVISIONALLY CLEARS SPORTS DIRECT STORE ACQUISITIONS

The Competition Commission (CC) has provisionally cleared the acquisition by Sports Direct International plc (Sports Direct) of 31 stores from JJB Sports plc (JJB).

In a summary of its provisional findings published today at www.competition-commission.org.uk, the CC has ruled that the acquisition may not be expected to lead to a substantial lessening of competition (SLC) nor any adverse effects for customers. The full provisional findings report will be published shortly.

Chairman of the Inquiry Group and CC Deputy Chairman, Diana Guy commented:

We have looked at whether consumers in the local areas concerned will be affected by these acquisitions and have provisionally concluded that they are unlikely to lose out. We do not believe there will be higher prices or a reduction in quality and choice for consumers.

Sports Direct and JJB are undoubtedly each other's closest competitors nationally and this has not changed as a result of the transfer of a relatively small number of stores. What we have found is that the prices and range on offer in any individual Sports Direct store are not significantly affected by whether there is a nearby JJB store or not but, rather, depend on the degree of overall competition between the two at the national level.

The CC has today agreed to extend the period for publication of its final report so that the statutory deadline is now 21 April 2010, although it hopes to publish before then.

It would like to hear comments on the provisional findings from any interested parties, in writing, by 4 March 2010. To submit evidence, please [email](#) the inquiry team or write to:

Peter Baker
Inquiry Coordinator
Competition Commission
Victoria House
Southampton Row
London
WC1B 4AD

Notes for editors

1. The Office of Fair Trading (OFT) referred the case to the CC for investigation on 7 August 2009. The OFT's initial study found that the store transfers raised competition concerns in five local areas where Sports Direct already had a store. Sports Direct offered to divest stores in these areas to upfront buyers approved by the OFT, in lieu of a reference to the CC, but was unable to do so in the required timescale.
2. The timescale for the investigation was extended in its early stages because Sport Direct was unable to respond to CC information requests. The decision further to extend the timetable was taken as a result of an appeal by Sports Direct to the Competition Appeal Tribunal regarding the disclosure of certain information in working papers provided to Sports Direct.
3. The members of the Sports Direct/JJB Inquiry Group are: Diana Guy (Group Chairman), Phil Evans, Roger Finbow and John Smith.
4. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
5. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
6. Further information on this inquiry, including the terms of reference and other key documents, as well as on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from the CC website at: www.competition-commission.org.uk.
7. Enquiries should be directed to [Rory Taylor](#) or [John Park](#) or by ringing 020 7271 0242.

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