

Market inquiries email – Sika AG’s proposed acquisition of MBCC Group – 20 January 2022

Dear interested party

Sika AG is proposing to acquire the MBCC group. We are seeking your views on this proposal because we understand you have an interest in markets that may be affected.

The Australian Competition and Consumer Commission (**ACCC**) is an independent statutory authority responsible for investigating whether mergers are likely to substantially lessen competition.

The parties

Sika AG is a Switzerland-based specialty chemicals company which develops and produces systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle industry. Sika has subsidiaries in 101 countries around the world and manufactures in over 300 factories. Sika AG is the parent company of Sika Australia Pty Ltd (**Sika Australia**), which owns Construction Technologies Australia Pty Ltd.

MBCC Group, formerly BASF Construction Chemicals, is a global supplier in construction chemicals. MBCC Group is headquartered in Germany and has operations in over 60 countries with more than 130 production facilities. MBCC Group operates in the field of construction systems and admixture systems. In Australia, MBCC Group owns MB Solutions Australia Pty Ltd (**MB Solutions Australia**) and Bluey Technologies and operates under the Master Builder Solutions brand.

How to engage

Please see our specific questions below and also address any other issues you think are relevant. We would be happy to receive your response by email or have a discussion with you over the phone or via Microsoft Teams.

This matter is public and you can forward this email to anybody who may be interested. Updates regarding the ACCC’s investigation will be available on the ACCC’s public mergers register [here](#).

If you would like to comment in writing, please do so by **7 February 2022** by return email. Alternatively, call Karina Geddes on 03 9290 1820 or Olivia King on 03 9290 1498, if you prefer to set up a time to discuss or if you need more time to respond.

Questions

1. Please provide a brief description of your organisation, and the reasons for your interest in the proposed acquisition, including any commercial relationship/s with Sika or MBCC Group. This will help us to better understand your views.
2. Please discuss how closely Sika and MBCC Group compete in the supply of construction chemicals, including chemical admixtures, fibers or concrete works.
3. How competitive are the markets for the manufacturing and distribution of chemical admixtures, fibers or concrete works in Australia?

In particular, we are interested to understand who the key manufacturers and distributors of these materials are, and how different manufacturers and distributors compare based on factors including price, service quality and market share.

4. To what extent are chemical admixtures substitutable with other types of admixtures, e.g., mineral?
5. How easy is it for customers to switch between suppliers of chemical admixtures, fibers or concrete works?

Please provide details of the process and the results of any recent tenders.

6. Are there any benefits to purchasing construction chemicals in a bundle, particularly in relation to chemical admixtures, fibers or concrete works?
7. To what extent can customers bypass manufacturers or distributors such as Sika and MBCC Group, and obtain chemical admixtures, fibers or concrete works directly from overseas manufacturers?
8. How easy or difficult is it for new entrants to enter and/or expand into the supply of construction chemicals, in particular chemical admixtures, fibers or concrete works?
9. To what extent do manufacturers and/or distributors of construction chemicals set or influence the price of products sold in Australia? Is there scope for customers to negotiate the price of these products, in particular chemical admixtures, fibers or concrete works?
10. Do you have any concerns with the proposed acquisition? Please provide reasons for this view.

Please clearly indicate if any information you provide is confidential. The ACCC treats sensitive information it receives during a merger review as confidential and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

If you have any questions, please contact Karina Geddes on 03 9290 1820 or Olivia King on 03 9290 1498.

Kind regards

Olivia King
(she/her)

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The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.