

CMA finds Veolia / Suez merger raises competition concerns

Press release

The CMA has found that the merger of Veolia and Suez could lead to a loss of competition in the supply of several waste and water management services in the UK.



Veolia and Suez are two of the largest suppliers of waste management services to councils and businesses in the UK and global leaders in the sector. The transaction is being reviewed by a number of competition authorities globally. Both companies are active across the waste management supply chain from the collection of waste to the operation of facilities for composting and incineration and landfill sites. The companies also supply water and wastewater management services to industrial customers.

The Competition and Markets Authority (CMA) has received a number of complaints from customers and other market participants during its investigation and it has identified a number of competition concerns that could lead to councils paying higher prices, with a knock-on effect on taxpayers.

In particular, the CMA is concerned that Veolia and Suez are 2 of only a small number of suppliers active within the UK that are able to service the largest and most complex waste management contracts with councils. As a result, the merger could lead to higher prices and lower quality services across a range of waste management activities in the UK.

Andrea Coscelli, Chief Executive of the CMA, said:

Councils spend hundreds of millions of pounds on waste management services. Any loss of competition in this market could lead to higher prices for local authorities, leaving taxpayers to foot the bill, and reduced innovation to achieve Net Zero targets. Everyone in the UK uses waste and recycling services in some way, it is

therefore vital that this deal is subject to more detailed scrutiny if our concerns aren't addressed.

The CMA also identified competition concerns in several water management markets, where insufficient competition after the merger could mean that industrial customers would also have to pay higher prices.

Veolia and Suez now have 5 working days to submit proposals to address the CMA's concerns. If suitable proposals are not submitted, the deal will be referred for an in-depth Phase 2 investigation.

For more information, visit the [Veolia / Suez merger inquiry page](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. The CMA found that the merger gives rise to a realistic prospect of a substantial lessening of competition in the following areas on a UK-wide basis: the supply of complex waste management contracts procured by local authorities; the supply of non-hazardous commercial and industrial waste collection services; the supply of non-hazardous municipal waste collection services; the supply of services for the operation and maintenance of local authority-owned energy recovery facilities; the operation and maintenance of water and wastewater treatment facilities for industrial customers; and the supply of mobile water services.
3. The CMA also believes that the merger gives rise to a realistic prospect of a substantial lessening of competition in the following waste management services, on local bases: the supply of non-hazardous waste incineration services; and the supply of organic waste composting services at open-windrow composting facilities.
4. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a reference to Phase 2 if the CMA believes that it is or may be the case that a relevant merger situation has been created, or arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.