



*European Communities
Commission
Press Release*

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ABANDONMENT OF RESTRICTIVE AGREEMENT BETWEEN
UNITED KINGDOM AND BELGIAN PRODUCERS OF SAND

As a result of representations made by the Commission, two important producers of sand and operators of sand quarries within the Community, British Industrial Sand Ltd (BIS) and Sablières et Carrières Réunies S.A. of Belgium (SCR) have abandoned a long-term agreement which has been notified to the Commission, containing a number of provisions which are incompatible with the rules on competition laid down in article 85(1) of the EEC Treaty.

The agreement had the effect of dividing the Community market between two competitors. It accorded exclusivity to BIS in the United Kingdom and to SCR in the remainder of Europe for sales of certain kinds of sand, for the supply of machinery for the production of such sand and for the operation of quarries for excavation of such sand.

In addition, BIS was committed, for a period of at least 33 years from the date of the agreement, to purchase from SCR minimum quantities of glass-making sand of which BIS was and is itself a producer. The minimum quantities were annually adjusted to amount to not less than one-third of BIS's total annual sales for the year in question in the United Kingdom. This commitment amounted to a restraint upon BIS in respect of its own production and its use of alternative source of supply.

The agreement also made provision for the maintenance of interlocking directorships between the parties. This had the effect that, through the reciprocal availability of confidential business information, the observance by the parties of their contractual obligations could at all times be monitored and that it provided continuing opportunities and inducements to the parties to concert their trading practices.

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