



COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (“FTC Act”), and by virtue of the authority vested in it by said Act, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Corpus Christi Polymers LLC (“CCP”), a joint venture between corporate entities under the control of Respondents Alfa S.A.B. de C.V. (“DAK”), Indorama Ventures Plc (“Indorama”), controlled by Alope and Suchitra Lohia, and Far Eastern New Century Corporation (“FENC”), intends to acquire certain assets from M&G Resins USA LLC and its affiliates (“M&G”) in bankruptcy, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and which, if the acquisition is consummated, may substantially lessen competition in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, and Section 5 of the

FTC Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint pursuant to Section 5(b) of the FTC Act, 15 U.S.C. § 45(b), and Section 11(b) of the Clayton Act, 15 U.S.C. § 21(b), stating its charges as follows:

I. RESPONDENTS

III. PROPOSED ACQUISITION

7. Pursuant to an Asset Purchase Agreement dated March 28, 2018, CCP proposes to acquire from M&G an under-construction polyethylene terephthalate resin (“PET”) and purified terephthalic acid (“PTA”) production facility in Corpus Christi, Texas and related assets (the “Corpus Christi Assets”), for \$1.1 billion (the “Acquisition”).

8. M&G and its affiliates filed for Chapter 11 bankruptcy in October 2017, pursuant to which M&G endeavored to sell certain assets. Respondents DAK, Indorama

V. MARKET STRUCTURE

14. The market for the manufacture and sale of PET in North America is highly concentrated.

15. DAK, Indorama, and FENC are three of only four North American PET producers. Together, these three Respondents control nearly 90% of North American PET capacity. Upon completion, the Corpus Christi plant will be the largest PET plant in North America and will account for roughly 20% of North American PET capacity.

16. DAK and Indorama are two of only three significant North American PTA producers. Vertical integration into the PTA market gives DAK and Indorama an advantage over other, non-integrated PET producers.

VI. ENTRY CONDITIONS

17. Entry, repositioning, or fringe firm growth would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. Significant barriers to entry or expansion include the time and cost of either constructing a new PET plant or converting an existing plant into PET use. Two-tier entry in both the PET and PTA markets would likely be necessary for an entrant to become truly competitive.

VII. EFFECTS OF THE ACQUISITION

18. Absent relief, the Acquisition may substantially lessen competition or tend to create a monopoly in the relevant market, by:

- a. facilitating or increasing the likelihood of collusive or coordinated interaction between and among any of the Respondents; and
- b. increasing the likelihood that DAK, Indorama, and FENC, acting alone or in concert, will exercise market power in the relevant market.

19. Absent relief, CCP lacks adequate safeguards to prevent DAK, Indorama, and FENC from using the relationships occasioned by their joint ownership of CCP, and by CCP's acquisition of the Corpus Christi Assets, to transmit competitively sensitive information beyond the minimum degree reasonably necessary to accomplish CCP's legitimate purposes.

VIII. VIOLATIONS CHARGED

20. The Acquisition agreement constitutes an unfair method of competition in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45. The Acquisition, if consummated, may substantially lessen competition in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15.U.S.C. § 18, and is an unfair method of competition in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twentieth day of February, 2019, issues its complaint against Respondents.

By the Commission.

April J. Tabor
Acting Secretary

SEAL: