



## **MEDIA RELEASE**

**24 December 2020**

### **CCCS consults on the Proposed Acquisition by Analog Devices, Inc. of Maxim Integrated Products, Inc.**

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition by Analog Devices, Inc. (“**ADI**”) of Maxim Integrated Products, Inc. (“**Maxim**”) (collectively, “**the Parties**”) (the “**Proposed Transaction**”).
2. CCCS received an application from the Parties for a decision on the Proposed Transaction on 17 December 2020. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers which have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

#### **The Parties**

##### ADI

3. ADI designs, manufactures and markets a broad line of integrated circuits (“ICs”) that incorporate analogue, mixed-signal and/or digital signal processing technologies and are designed to address a wide range of real-world signal processing applications. ADI’s IC product portfolio includes both general-purpose products used by a broad range of customers and applications, as well as application-specific products designed for specific types of customers or end-uses. ADI serves customers in various industries, particularly in the automotive, consumer, communications and industrial sectors. ADI is involved in the same activities in Singapore as it is globally.
4. ADI’s products are embedded inside various types of electronic equipment including aerospace and defence electronics, automobiles, energy management systems, factory automation systems, industrial process control systems, instrumentation and measurement systems, medical imaging equipment, networking equipment, optical systems, patient monitoring devices, portable electronic devices and wireless infrastructure equipment.

## Maxim

5. Maxim is a global technology company that designs, develops, manufactures and markets a range of linear (commonly known as “analogue”), mixed-signal and digital ICs. Its products serve customers in diverse geographic locations in the following segments: automotive, communications and data centre, computing, and other consumer and industrial applications. Maxim is involved in the same activities in Singapore as it is globally.
6. Its products are embedded in various electronic equipment such as automotive equipment, communication network devices, data storage/servers, Internet of Things (“IoT”) platform equipment, mobile devices, wearable devices, audio devices, factory automation systems, sensors, building automation systems, motion control equipment, automated test equipment, industrial IoT systems, military and aerospace equipment, wearable health devices, diagnostic and therapy equipment, and healthcare IoT systems.

## **The Proposed Transaction**

7. The Proposed Transaction will involve ADI acquiring the entire issued share capital of Maxim and will thus acquire sole control over Maxim.
8. The Parties have submitted that they overlap in the supply of the following products globally:
  - a. Within general purpose analogue ICs:
    - i. Amplifiers and Comparators;
    - ii. Signal Conversion;
    - iii. Interfaces and Isolators; and
    - iv. Power Management;
  - b. Within application-specific analogue ICs:
    - i. Consumer;
    - ii. Industrial
    - iii. Communications; and
    - iv. Automotive;

- c. Within digital ICs, only Microcontrollers; and
  - d. Within sensors and actuators, only temperature & other sensors.
9. In Singapore, the Parties submitted that they overlap in the same products set out above, except in the segment of Temperature and Other Sensors, as ADI has no revenues in Singapore in that segment in 2019 and 2018.
10. According to the Parties, the Proposed Transaction will not result in a substantial lessening of competition in Singapore via non-coordinated effects and coordinated effects for the following reasons:

Non-coordinated effects

- a. the markets in relation to the above overlapping products are highly fragmented and saturated with competitors of varying sizes;
- b. strong countervailing power of the Parties' largest customers and ease of switching for customers will continue to constrain the Parties post-Proposed Transaction; and
- c. the Parties' product portfolios are complementary and will enable the merged entity to compete more effectively with large competitors.

Coordinated effects

- d. the presence of a multitude and range of existing competitors of varying scales of operations means that it would not be possible for the merged entity to arrive at an alignment or coordination of its behaviour with other competitors;
- e. suppliers would not be incentivised to coordinate with one another given that they compete on the basis of product differentiation and are constantly innovating to offer new and improved products;
- f. pricing of semiconductor products is typically negotiated on an individual basis and is based on a variety of pricing models, making it difficult for competitors to coordinate pricing; and
- g. customers generally have the knowledge and expertise to make well-informed comparisons of alternatives available on the market, which facilitates the process of switching between different suppliers in response to price changes or any other reason.

## **Public Consultation**

11. CCCS is inviting public feedback on the Proposed Transaction from 24 December 2020 to 8 January 2021, 2pm.
12. More information on the public consultation can be accessed and downloaded from the CCCS website at [www.cccs.gov.sg](http://www.cccs.gov.sg) under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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## **About The Competition & Consumer Commission of Singapore (CCCS)**

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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