



MEDIA RELEASE

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CCCS Clears Proposed Acquisition by Analog Devices, Inc. of Maxim Integrated Products, Inc.

The Competition and Consumer Commission of Singapore (“CCCS”) has cleared the proposed acquisition by Analog Devices, Inc. (“ADI”) of Maxim Integrated Products, Inc. (“Maxim”) (collectively, the “Parties”) (“Proposed Transaction”).

2. Following its assessment, CCCS has concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act (Cap. 50B) (“Act”).

Background

3. CCCS received a joint application from the Parties on 17 December 2020 for a decision on whether the Proposed Transaction would infringe section 54 of the Act, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

4. 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. Maxim designs, develops, manufactures and markets a range of analogue, mixed-signal and digital ICs. Broadly, the Parties overlap in the supply of analogue ICs, microprocessors (“MCUs”) (a type of digital IC), and temperature and other sensors globally.

CCCS’s Assessment

5. As part of its assessment, CCCS conducted a public consultation from 24 December 2020 to 8 January 2021, and contacted one hundred and eight (108) stakeholders including the customers and competitors of the Parties for their views.

Relevant markets affected by the Proposed Transaction

6. CCCS examined the Parties' overlapping products and, while it is of the view that it is not necessary to conclude on a precise market definition for this merger, the following relevant markets served as a useful starting frame of reference for CCCS's assessment of the Proposed Transaction:

(a) Within general purpose analogue ICs:

- (i) The global supply of amplifiers and comparators (or signal conditioning ICs) to customers globally;
- (ii) The global supply of signal conversion ICs to customers globally;
- (iii) The global supply of interface and isolator ICs to customers globally; and
- (iv) The global supply of power management ICs to customers globally;

(b) Within application-specific analogue ICs,

- (i) The global supply of consumer application-specific standard ICs (“ASSPs”) to customers globally;
- (ii) The global supply of industrial ASSPs to customers globally;
- (iii) The global supply of communications ASSPs to customers globally; and
- (iv) The global supply of automotive ASSPs to customers globally;

(c) Within digital ICs, the global supply of MCUs to customers globally; and

(d) Within sensors and actuators, the global supply of temperature and other sensors to customers globally.

(collectively the “**Relevant Markets**”)

Competition Assessment for the Relevant Markets

7. CCCS found that the combined market shares of the Parties from 2017 to 2019 for:

- **Global**¹: fall below 40% and the combined market shares of the 3 largest firms post-Proposed Transaction (“CR3”) fall below 70% for most

¹ This refers to the global supply of the products in each relevant market to customers globally.

Relevant Markets, which is below the indicative thresholds of a merger situation that may raise competition concerns.²

- **Singapore³:** fall below 40% for all the Relevant Markets while the CR3 post-Proposed Transaction fall below 70% for most Relevant Markets.

8. CCCS further found that the Parties' product portfolios are generally complementary in nature, and that they are not each other's closest competitor in any of the Relevant Markets.

9. CCCS noted that there remain many other strong competitors, such as Texas Instruments Incorporated post-Proposed Transaction, and that customers are able to switch between alternative suppliers. In this regard, CCCS notes that customers can switch between suppliers easily when they are sourcing for ICs to be designed into their products. After the product is designed, time and cost are needed for product re-design or qualification but these barriers to switching are not insurmountable. Customers also generally do not enter into long term supply arrangements with suppliers that will limit their ability to switch.

10. CCCS assessed that large customers may be able to exert countervailing buyer power by influencing prices and sales terms especially if they can design and/or manufacture ICs in-house.

11. CCCS also considered that collusion between semiconductor suppliers is unlikely post-Proposed Transaction due to the following: (a) the large number of competitors worldwide and in Singapore, (b) relatively low price transparency across all the Relevant Markets owing to bilateral negotiations between suppliers and customers, and (c) product differentiation in the Relevant Markets, especially in relation to ASSPs.

12. Further information on the joint application and CCCS's Grounds of Decision will be made available in due course on [CCCS's Public Register](#) at our [website](#).

- End -

² Paragraph 5.15 of *CCCS Merger Guidelines*. CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless the merged entity has a market share of 40% or more, or the merged entity has a market share of between 20% to 40% and the post-merger combined market shares of the 3 largest firms ("CR3") is 70% or more.

³ This refers to the global supply of the products in each relevant market to customers in Singapore.

About the Competition and Consumer Commission of Singapore

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.

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