



MEDIA RELEASE

26 February 2020

CCCS Clears Proposed Acquisition by ARA Logistics Ventures I Limited of Shares in Logos China Investments Limited

The Competition and Consumer Commission of Singapore (“**CCCS**”) has cleared the proposed acquisition by ARA Logistics Ventures I Limited (“**ARA Logistics**”) of shares in LOGOS China Investments Limited (“**LOGOS**”) (collectively, the “**Parties**”) (the “**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) (the “**Act**”).

Background

3. CCCS received a notification from ARA Logistics on 6 January 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.

ARA Logistics

4. ARA Logistics is a company incorporated for the purpose of this Proposed Transaction, and is wholly-owned by ARA Asset Management Holdings Pte. Ltd. (“**ARA**”). ARA is a premier global integrated real assets fund manager, based in Singapore, with country desks across key cities in Australia, China, Europe, Japan, Korea and the US. ARA, together with the ARA group of companies (“**ARA Group**”) is a fully integrated investment and fund management platform with in-house resources, and extensive experience in investing, managing and divesting real estate assets.

LOGOS

5. LOGOS is a company incorporated in the British Virgin Islands and is the holding company of LOGOS China Investments Limited and its affiliates (“**LOGOS**”).

Group”). The LOGOS Group’s principal business is the management of funds which acquire, develop and operate logistics properties in Asia Pacific, including Singapore.

6. As part of its assessment, CCCS conducted a public consultation from 16 January 2020 to 30 January 2020 and contacted 52 key stakeholders including competitors and customers. CCCS also engaged various government agencies to gather relevant information necessary for CCCS’s assessment of the Proposed Transaction.

CCCS’s Assessment

Relevant markets affected by the Proposed Transaction

7. CCCS considered that the relevant markets for its assessment of the Proposed Transaction are:

- (a) The supply of warehouse space for rental in Singapore; and
- (b) The global supply of fund management services for industrial real estate assets.

Competition assessment for each relevant market

The supply of warehouse space for rental in Singapore

8. CCCS found that:

- (a) The combined market share of the Parties is below CCCS’s indicative threshold¹. This suggests that competition concerns are unlikely to arise from the Proposed Transaction;
- (b) Customers are able to switch suppliers in this market as there are a number of alternative suppliers of warehouse space for rental in Singapore to choose from. The merged entity would likely continue to face significant competition from these existing suppliers;
- (c) Customers of the Parties are likely to have the ability to self-supply warehouse space for rental in Singapore and would be able to counter price increases by the Parties; and

¹ CCCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless: the merged entity will have a market share of 40% or more; or the merged entity will have a market share of between 20% to 40% and the post-merger CR3 (market share of the three largest players) is 70% or more.

- (d) Potential and existing suppliers of warehouse rental space in Singapore would likely continue to be a competitive constraint on the merged entity, given that barriers to entry and expansion are not high.

The global supply of fund management services for industrial real estate assets

9. CCCS found that:

- (a) The Parties are unlikely to be each other's closest competitor as their investment portfolios differ in scope;
- (b) The combined market share of the Parties is not large and is below CCCS's indicative threshold. This suggests that competition concerns are unlikely to arise from the Proposed Transaction;
- (c) The availability of a large number of fund managers globally from which customers can choose, and the lack of significant barriers that prevent a customer from switching service providers, would likely constrain the merged entity's ability to exercise its market power after the Proposed Transaction; and
- (d) The ability and likelihood of expansion by existing fund managers would likely continue to be a competitive constraint on the merged entity after the Proposed Transaction.

10. Further information on the notification and CCCS's Grounds of Decision will be made available in due course on [CCCS's Public Register](#) at www.cccs.gov.sg.

- End -

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.

For media clarifications, please contact:

Ms. Shamsiah Jemain

Senior Executive

Communications

Competition and Consumer Commission of Singapore

Email: shamsiah_jemain@cccs.gov.sg

DID: 6325 8206

Ms. Nawwar Syahirah

Senior Assistant Director

Communications

Competition and Consumer Commission of Singapore

Email: nawwar_syahirah@cccs.gov.sg

DID: 6325 8313