



MEDIA RELEASE

14 AUGUST 2015

CCS RAISES COMPETITION CONCERNS ON PROPOSED MERGER OF AIRFIELD LIGHTING SUPPLIERS

1. The Competition Commission of Singapore (“CCS”) has completed the Phase 1 review of the proposed acquisition by ADB BVBA (“ADB”) of 100 per cent of the shares of Safegate International AB (“Safegate”) from Fairford Holdings Private AB (“Fairford”) (the “Proposed Transaction”).
2. CCS has raised competition concerns on the Proposed Transaction, based on information furnished by ADB and Safegate (collectively, the “Parties”) and third party feedback during the Phase 1 review. In particular, the Parties account for a significant market share in the supply of airfield lighting (“AFL”) systems in Singapore,¹ and they may be each other’s closest competitors. Other AFL suppliers may also face difficulties entering the market due to customers’ extensive testing requirements. The Proposed Transaction may therefore significantly reduce the level of competition in the affected markets, and may lead to price increases and deterioration in quality and/or technical support.
3. The Parties may accordingly offer commitments to address the potential competition concerns that may arise as a result of the Proposed Transaction at this stage or the merger will proceed to a detailed Phase 2 review, upon CCS’s receipt of the relevant documents from the Parties.

Background

4. CCS received a joint notification for decision on 23 June 2015 from ADB, Safegate and Fairford in relation to the Proposed Transaction. The notification was made in relation to section 54 of the Competition Act which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.
5. The Parties overlap in the supply of AFL systems in Singapore. ADB’s stable of brands for AFL systems includes: ADB, LUCEBIT and ERNI. Safegate’s stable of brands for AFL systems includes Safegate, Thorn and Idman.

¹ AFL Systems comprise AFL Lights, AFL Power Solutions, AFL C&M System, AFL Design, AFL Services and AFL System Integration.

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg.

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