



MEDIA RELEASE

8 June 2023

CCCS consults on the Proposed Acquisition by City Energy Pte. Ltd. of Tan Soon Huah Gas Supply Pte. Ltd.'s Liquefied Petroleum Gas Business

1. The Competition and Consumer Commission of Singapore ("**CCCS**") is inviting public feedback on the proposed acquisition by City Energy Pte. Ltd. ("**City Energy**") of Tan Soon Huah Gas Supply Pte. Ltd.'s ("**TSH**") liquefied petroleum gas ("**LPG**") business (the "**Proposed Transaction**"). City Energy and TSH are collectively referred to as the "**Parties**".
2. CCCS accepted an application by City Energy on 30 May 2023 for a decision on whether the Proposed Transaction, if carried into effect, would infringe section 54 of the Competition Act 2004, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

City Energy

3. City Energy is the trustee of City Energy Trust, which is listed on the Singapore Exchange. City Energy's key business is in the production and retail of town gas¹ to residential, commercial, and industrial customers in Singapore, for which it holds a Gas Retailer Licence issued by the Energy Market Authority ("**EMA**") under the Gas Act 2001 ("**Gas Act**"). City Energy is the sole producer and retailer of town gas in Singapore.
4. In addition to town gas, City Energy retails natural gas² to industrial customers in Singapore through its subsidiary City-OG Gas Energy Services Pte. Ltd. ("**City-OG**"), which holds a Gas Shipper Licence and Gas Retailer Licence.

¹ Town gas' is defined under Section 2 of the Gas Act as "any substance in a gaseous state which is conveyed in gas pipes and is manufactured from petrochemical feedstock or natural gas, and has hydrogen as one of its main constituents".

² Natural gas is defined under Section 2 of the Gas Act as "any mixture of gaseous hydrocarbons which is conveyed by gas pipes and is composed of —

5. City Energy is also engaged in the sale of residential and commercial appliances/equipment (mainly kitchen appliances/equipment, water heaters and laundry appliances/equipment that run on gas) and the provision of gas supply related services.

TSH

6. TSH's key business is in the retail sale of LPG cylinders to residential, commercial, and industrial customers in Singapore. TSH also provides ancillary products and services such as residential and commercial appliances/equipment (mainly kitchen appliances/equipment, water heaters and laundry appliances/equipment that run on gas) and LPG equipment. TSH does not have any business activities outside of Singapore, and is not active in the town gas, natural gas or electricity business.

The Proposed Transaction

7. City Energy submitted that the Parties overlap in the following relevant markets:
 - a. The market for the retail supply of LPG, town gas, and electricity to
 - i. residential customers in Singapore; and
 - ii. commercial customers in Singapore.
 - b. The market for the retail supply of LPG, town gas, natural gas, and electricity to industrial customers in Singapore.
8. According to City Energy, the Proposed Transaction will not result in a substantial lessening of competition in Singapore because:
 - a. the presence of strong LPG, natural gas and electricity competitors in the relevant markets will impose competitive constraints on the merged entity;
 - b. there are no significant barriers to entry into the relevant markets (with the exception of town gas)³ and therefore potential entrants are likely to be able to enter relatively quickly on a material scale;
 - c. customers are able to switch easily between suppliers in the relevant markets due to the low cost and time required to do so; and

(a) predominantly methane; and

(b) as to the remainder, varying amounts of other hydrocarbons and other combustible and non-combustible gases".

³ City Energy is the sole producer and retailer of town gas in Singapore, and the retail of town gas is regulated by EMA via the Gas Act.

- d. the EMA regulates the retail of town gas via the Gas Act, which limits the pricing power of City Energy.

Public Consultation

9. CCCS is inviting public feedback on the Proposed Transaction from 8 June 2023 to 5pm on 21 June 2023.
10. More information on the public consultation can be accessed and downloaded from CCCS's website at 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 2004 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 for the Consumer Protection (Fair Trading) Act 2003 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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