



## **MEDIA RELEASE**

**17 January 2019**

### **CCCS Consults on the Proposed Acquisition by DKSH Holding (S) of Auric Pacific Marketing and Centurion Marketing**

The Competition and Consumer Commission of Singapore (“**CCCS**”) is conducting a public consultation from 17 January to 30 January 2019 to invite feedback on the proposed acquisition by DKSH Holding (S) Pte. Ltd. (“**DKSH Holding (S)**”) of all the shares of Auric Pacific Marketing Pte. Ltd. (“**APM**”) and Centurion Marketing Pte. Ltd. (“**CM**”) (the “**Proposed Transaction**”).

2. CCCS received an application from DKSH Holding (S) for a decision on the Proposed Transaction and accepted the application as complete on 10 January 2019. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), 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**

##### DKSH Holding (S)

3. DKSH Holding (S), which is part of the DKSH Group, provides Market Expansion Services<sup>1</sup> (“**MES**”) to companies seeking to distribute their products in Singapore.

##### APM and CM

4. APM and CM, are wholly-owned subsidiaries of APG Foods Pte. Ltd., and similarly provide MES to various international consumer food brands in Singapore in the retail and foodservice channels.

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<sup>1</sup> MES extend from product feasibility studies and registration to importation, customs clearance, sales, marketing and merchandising, warehousing, physical distribution, invoicing, cash collection and after-sales services.

## The Transaction

5. DKSH Holding (S) has submitted that it overlaps with APM and CM in the provision of distribution services for packaged food and beverage products in Singapore. Such distribution services entail an array of services provided to manufacturers and/or suppliers of packaged food and beverage products (“**Brand Principals**”) but also involve the sale and delivery of the Brand Principals’ products to various channels including brick and mortar retailers, wholesalers, foodservice businesses and e-commerce retailers (collectively, “**Purchasers**”).

6. DKSH Holding (S) has submitted that the Proposed Transaction will not give rise to anti-competitive effects, in view of the following market characteristics:

- a. Distribution services for packaged food and beverage products are largely homogenous with many other competitors existing in the market;
- b. Low barriers to expansion. Smaller players would be able to easily scale up by expanding their logistics network through renting warehouses and sub-contracting transport to logistical providers in Singapore even if they do not enjoy the extensive logistics network of larger players;
- c. Purchasers are sophisticated retailers with centralised procurement and who have the ability and scale to procure directly from Brand Principals or to parallel import, bypassing the merging parties; and
- d. Brand Principals may also distribute their own products or other Brand Principals’ products. They have the ability to enter the market and distribute their products themselves or to market the products and outsource the distribution to other providers.

## Public Consultation

7. CCCS is inviting public feedback in relation to the Proposed Transaction.

8. 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 Register and Consultation](#)”. The closing date for submissions is on or before **30 January 2019**. If the submission/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 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](http://www.cccs.gov.sg).

### **For media clarifications, please contact:**

Ms. Grace Suen  
Senior Assistant Director  
Communications  
Competition and Consumer Commission of Singapore  
Email: [grace\\_suen@cccs.gov.sg](mailto:grace_suen@cccs.gov.sg)  
DID: 6325 8216