



## MEDIA RELEASE

22 March 2023

### Clearance of proposed acquisition of Daewoo Shipbuilding & Marine Engineering Co., Ltd by the Hanwha Group

1. The Competition and Consumer Commission of Singapore ("**CCCS**") has cleared the proposed acquisition of Daewoo Shipbuilding & Marine Engineering Co., Ltd. ("**DSME**"), by the following companies in the Hanwha Group:
  - (a) Hanwha Aerospace Co., Ltd.;
  - (b) Hanwha Systems Co., Ltd.;
  - (c) Hanwha Convergence Co., Ltd.;
  - (d) Hanwha Impact Partners Inc.; and
  - (e) Hanwha Energy Corporation Singapore Pte. Ltd. ("**HECS**");("the Proposed Transaction").
2. Having completed its assessment, CCCS has concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act 2004 ("**the Act**"), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition ("**SLC**") within any market in Singapore.

### Background

3. CCCS accepted an application from Hanwha Corporation on behalf of the Hanwha Group on 16 January 2023 for a decision on whether the Proposed Transaction would infringe section 54 of the Act.

### Hanwha Group

4. The Hanwha Group is a conglomerate based in South Korea with business areas that include chemical manufacturing, construction, leisure/service, solar photovoltaic generation and finance.

5. The Hanwha Group's business operations in Singapore involve the supply of the following products and services; (i) petrochemical products such as naphtha, ethylene, and others; (ii) chemicals and solar modules; (iii) trade brokerage for petrochemical products, bituminous coal, coal, feedstock and oil; and (iv) investment services such as outsourcing, advisory services, fund management, and brokerage services.

#### DSME

6. DSME is a South Korean company that specialises in shipbuilding and other maritime businesses. It builds various types of ships such as Liquefied Natural Gas ("**LNG**") carriers, oil tankers, container ships, and Liquefied Petroleum Gas carriers; offshore facilities such as floating production storage and offloading facilities, fixed platforms, floating production units, crude oil rigs and drill ships; and special vessels such as submarines, destroyers, salvage ships, and patrol ships. DSME's subsidiaries produce ship blocks and parts, provide computer systems integration services and comprehensive advice on computer systems, and support onshore plant construction.
7. DSME's business in Singapore in 2021 consisted of the building of ships ordered by Singapore shipowners, such as LNG carriers and very large crude carriers.

#### **CCCS's Assessment**

8. CCCS sought feedback from competitors and customers of the Hanwha Group and DSME via a public consultation from 20 January to 3 February 2023.

#### Relevant Markets Affected by the Proposed Transaction

9. CCCS is of the view that the Relevant Markets comprise the global supply of dynamic/turbo air compressors and dynamic/turbo gas compressors (which form the upstream markets; collectively referred to hereafter as "**the Relevant Upstream Markets**"), as well as the global supply of LNG carriers, offshore plant production facilities and offshore plant storage facilities (which form the downstream markets; collectively referred to hereafter as "**the Relevant Downstream Markets**").

#### Competition Assessment

10. CCCS found that the Proposed Transaction is unlikely to lead to an SLC in the Relevant Markets for the following reasons:

- (a) Upstream input foreclosure is unlikely to arise as the Hanwha Group is not a major supplier in the Relevant Upstream Markets and customers that supply in the Relevant Downstream Markets will be able to obtain products in the Relevant Upstream Markets from other suppliers.
- (b) Customer foreclosure is unlikely to arise as there are other competitors with comparable or larger market shares than DSME in the Relevant Downstream Markets that can continue to procure from suppliers in the Relevant Upstream Markets.
- (c) Coordinated effects are unlikely to arise as the Proposed Transaction will not reduce the number of existing players or increase barriers to entry such that it becomes easier for players in each of the Relevant Markets to collude.

11. 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](http://www.cccs.gov.sg).

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### **About the Competition & 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 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 of the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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