



MEDIA RELEASE

6 February 2017

CCS APPROVES NISSAN MOTOR CO. LTD.'S ACQUISITION OF SHARES IN MITSUBISHI MOTORS CORPORATION

1. The Competition Commission of Singapore (“CCS”) has cleared the acquisition by Nissan Motor Co. Ltd. (“Nissan”) of a 34 per cent shareholding in Mitsubishi Motors Corporation (“Mitsubishi”) (the “Transaction”).
2. Nissan is a Japanese multinational corporation and an affiliate of Renault, a French multinational company. Mitsubishi is a Japanese multinational corporation. In Singapore, Nissan, Renault, and Mitsubishi (collectively, “the Parties”), are involved in the supply of automotive vehicles to third party distributors, including passenger vehicles and commercial vehicles, and of automotive spare parts for their own respective brands of vehicles.
3. In examining the impact of the Transaction on the market for the wholesale supply of (i) mini cars; (ii) small cars; (iii) medium cars; (iv) sports utility vehicles; and (v) pick-up trucks in Singapore (collectively, the “Relevant Markets”), CCS sought feedback from end-customers, distributors, and other vehicle manufacturers. None of the feedback received raised competition concerns with the Transaction. After reviewing the Parties’ submissions and the feedback received, CCS concluded that the Transaction has not resulted in a substantial lessening of competition in the Relevant Markets, and therefore has not infringed section 54 of the Competition Act (Cap. 50B).
4. In clearing the Transaction, CCS found that:
 - a) With respect to passenger vehicles¹, none of the Parties’ combined market shares for the Relevant Markets exceeds CCS’s indicative thresholds² of a merger

¹ Passenger vehicles are vehicles that serve the general purpose of the transport of individual passengers on public roads, and are not primarily designed for commercial use.

² CCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or

situation that may raise competition concerns. Further, the Parties are not close competitors in the Relevant Markets for passenger vehicles;

- b) With respect to light commercial vehicles³, the Parties' combined market shares [60-70]% and that of the three largest players post-merger [90-100]% in the Relevant Market for pick-up trucks exceeds CCS's indicative thresholds of a merger situation that may raise concerns. However, the market share figures may not be a reliable indicator of competition in the market for pick-up trucks as there is considerable degree of volatility in the market shares of both the Parties and their competitors, and there is sufficient competition from other major suppliers of pick-up trucks in Singapore; and
 - c) Barriers to expansion and entry are not overly high in the Relevant Markets or broader markets in relation to the supply of passenger and light commercial vehicles. New brands of passenger vehicles have entered Singapore in recent years, and there would be little cost for an existing manufacturer that already supplies passenger vehicles in Singapore to supply light commercial vehicles as the manufacturer can tap on its existing passenger vehicle distribution network.
5. CCS issued its clearance decision for the Transaction to Nissan and Mitsubishi on 23 January 2017.
6. More information on the clearance decision for the Transaction is available under ["Public Register – Mergers & Acquisitions"](#) on the CCS website. More information on the Parties can be found in Annex A.

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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.

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- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

³ Light commercial vehicles are vehicles that serve the general purpose of transport of goods, and consist of vans, mini-vans and pick-ups.

About the Section 54 Prohibition under the Competition Act & Merger Procedures

Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition in Singapore.

CCS is generally of the view that competition concerns are unlikely to arise in a merger situation unless:

- The merged entity has/will have a market share of 40% or more; or
- The merged entity has/will have a market share of between 20% to 40% and the post-merger combined market share of the three largest firms is 70% or more.

Merging entities are not required to notify CCS of their merger but they should conduct a self-assessment to ascertain if a notification to CCS is necessary. If they are concerned that the merger has infringed, or is likely to infringe, the Act, they should notify their merger to CCS. In such cases, CCS will assess the effect of the merger on competition and decide if the merger has resulted, or is likely to result, in substantial lessening of competition in Singapore. CCS will endeavour to issue a decision within 30 -120 working days, depending on case complexity.

In the event that CCS makes an unfavourable decision, CCS has the power to issue directions to remedy, mitigate or eliminate the adverse effects arising from the merger situation.

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

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About the companies involved in the Transaction

Nissan is a Japanese multinational stock corporation headquartered in Kanagawa-Ku, Yokohama-shi, Kanagawa, Japan and listed on the Tokyo Stock Exchange. It is active globally in the development, manufacture, marketing, and sale of passenger vehicles, commercial vehicles, components, and spare parts, and vehicle financing for its own vehicles. In Singapore, Nissan's products under its Nissan brand are sold to its exclusive third-party distributor, Tan Chong Motor Sales Pte. Ltd., and Nissan's products under its Infiniti brand are sold to its exclusive third-party distributor, Wearnes Automotive Pte. Ltd. ("Wearnes Automotive").

Renault is a French multinational automobile manufacturer headquartered in Boulogne-Billancourt, France. It is active globally in the development, manufacture, marketing, and sale of passenger vehicles, commercial vehicles, components, and spare parts, and vehicle financing for its own vehicles. Renault is active in the wholesale distribution of third party manufactured spare parts, through its subsidiary, Motrio. Motrio is mainly active in Europe, and to a lesser extent, in South America. In Singapore, Renault's products under its Renault brand are sold to its exclusive third-party distributor, Wearnes Automotive.

Mitsubishi is a Japanese multinational stock corporation headquartered in Minato-Ku, Tokyo, Japan and is listed on the Tokyo Stock Exchange. Mitsubishi is active worldwide in the development, manufacture, marketing and sale of passenger vehicles, light commercial vehicles, components, spare parts and vehicle financing. In Singapore, Mitsubishi's products under its Mitsubishi Motors brand are sold to its exclusive third-party distributor, Cycle and Carriage Automotive Pte. Ltd.