



## **MEDIA RELEASE**

**17 October 2018**

### **CCCS CONSULTS ON THE PROPOSED MERGER OF PAPER DISTRIBUTORS JAPAN PULP & PAPER AND SPICERS SINGAPORE**

The Competition and Consumer Commission of Singapore (“**CCCS**”) is conducting a public consultation to gather feedback on the proposed acquisition by Japan Pulp and Paper Company Limited (“**JPP**”) of 100 per cent of the issued shares in Spicers Paper (Singapore) Pte Ltd (“**Spicers Singapore**”) from Spicers Holdings (Asia) Pte. Ltd (“**Spicers Holdings**”) (the “**Proposed Transaction**”).

2. CCCS received a notification from JPP for a decision on the Proposed Transaction and accepted the application as complete on 16 October 2018. 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**

3. JPP is the ultimate parent company of the OVOL Group, and is a public company listed on the Tokyo Stock Exchange. JPP is a global business specialising in the wholesale distribution of paper, paperboard and related products, with operations in Japan, Asia, Oceania, the Americas and Europe. In Singapore, JPP's wholly owned subsidiary, JPP Far East (S) Pte. Ltd. is a distributor of office papers, offset printing papers, specialty papers, synthetic papers and related products.

4. Spicers Singapore is an indirect, wholly-owned subsidiary of Spicers Limited, which is a public company listed on the Australian Stock Exchange. Spicers Singapore is a wholesale distributor of paper and other visual communication materials, including papers for digital printing and products for Sign & Display. Spicers Singapore's products include recycled paper and paper from sustainable sources.

#### **The Relevant Markets**

5. JPP submits that the relevant markets are the markets for:
- a. wholesale supply of printing and communications paper in Singapore;

- b. wholesale supply of paperboard products in Singapore; and
- c. wholesale supply of carbonless paper in Singapore.

6. In respect of the printing and communications paper market, JPP and Spicers Singapore (collectively, the “**Parties**”) overlap specifically in the supply of Coated Paper, Uncoated Woodfree Paper, Copy Paper and Synthetic Paper. As for the paperboard market, the Parties only overlap in respect of Coated Board.

7. JPP submits that the Proposed Transaction will not cause a substantial lessening of competition in any of the relevant markets in Singapore given the following:

- a. the relevant markets are fragmented; each with many competitors;
- b. end-customers have abundant alternative suppliers, including both paper merchants and paper mills (and their agents in Singapore) to choose from, given the price transparency of paper products. In addition, the cost of switching is very low, enabling customers to switch suppliers easily;
- c. competitors can react quickly to any changes in price, output or quality, thereby posing significant competition to the Parties; and
- d. although there have not been new entrants recently, paper mills overseas have become more active in recent years, particularly in looking to expand abroad. Hence, the threat of entry by potential entrants would also serve to constrain the Parties' conduct.

## **Public Consultation**

8. CCCS is inviting public feedback on the Proposed Transaction from 17 October 2018 to 30 October 2018.

9. 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”. 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).

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