

# FUSED!

LEVELING THE PLAYING FIELD -  
THE CCCS OFFICERS HELP  
THE HONEST

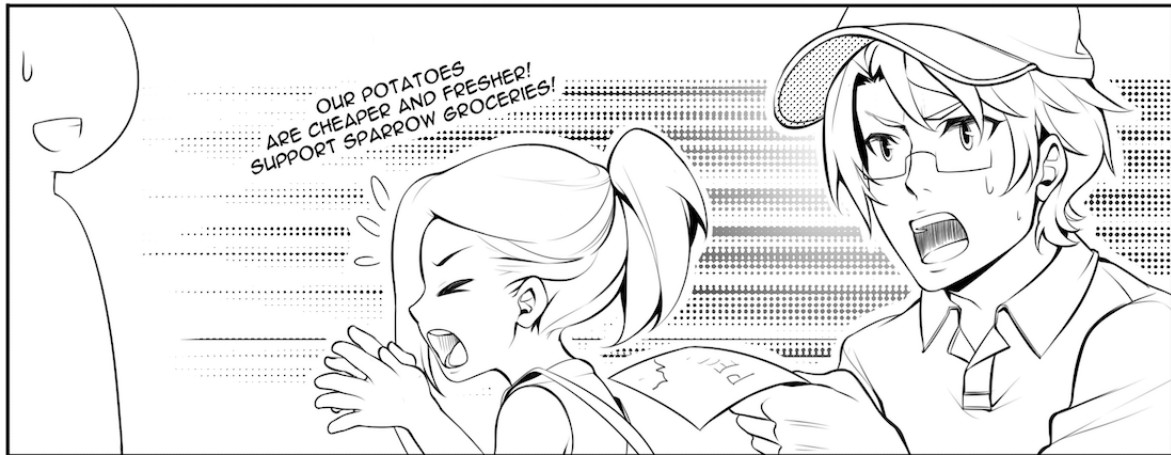


COMPETITION  
& CONSUMER  
COMMISSION | SINGAPORE

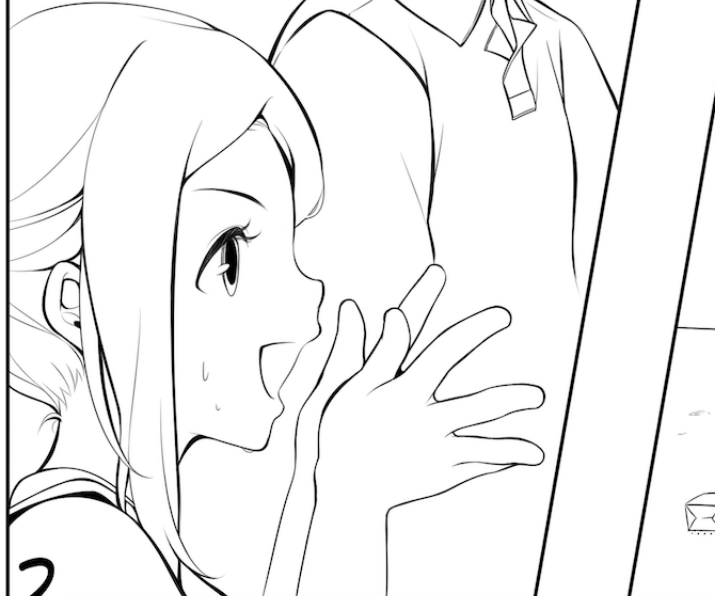
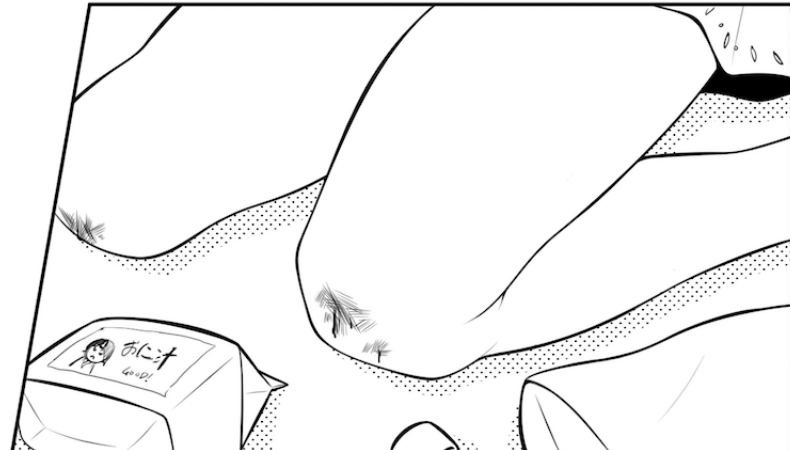
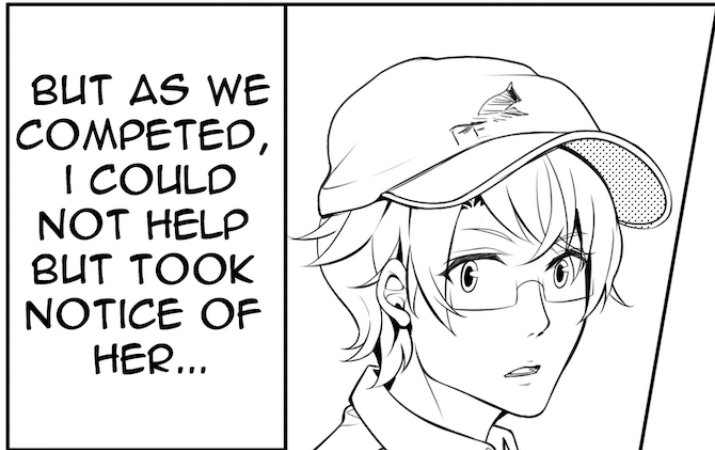


BLUE SKIES  
SHOPPING DISTRICT

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XIAO YANG AND I DID NOT EXACTLY START ON THE BEST OF TERMS. WE WERE COMPETITORS.



THEN ONE DAY, SHE FELL WHILE CARRYING SOME GOODS...

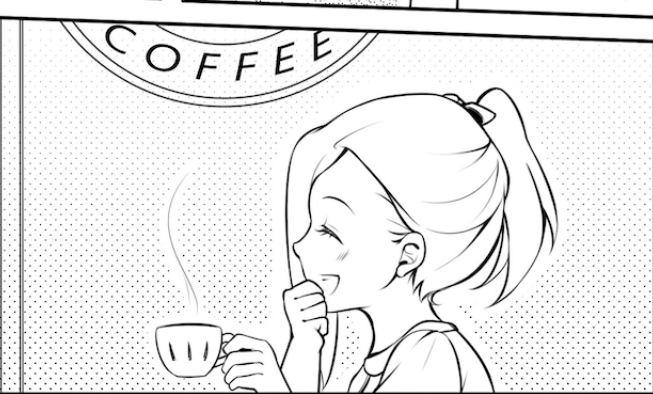


I HELPED HER  
AND THINGS  
PROGRESSED  
THEN.

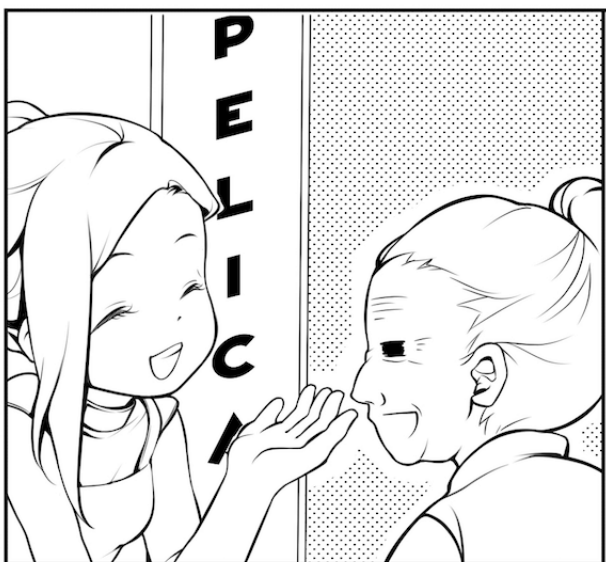
WE WERE  
STILL  
COMPETING,  
OF COURSE,  
BUT WE  
ALSO WENT  
ON DATES.



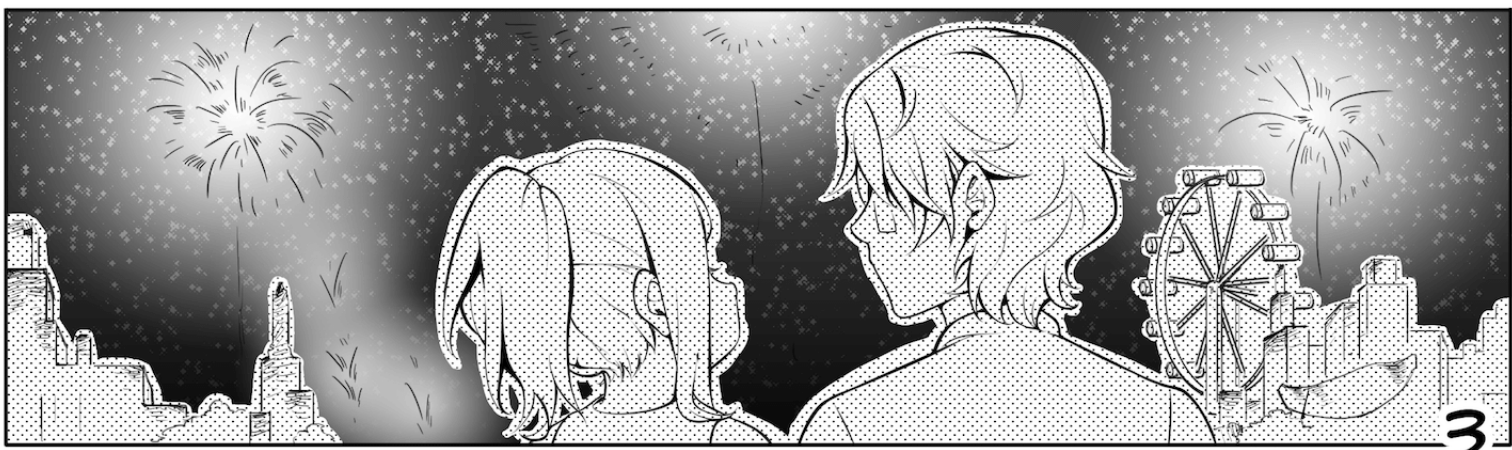
LOOKING  
GOOD,  
PETE.

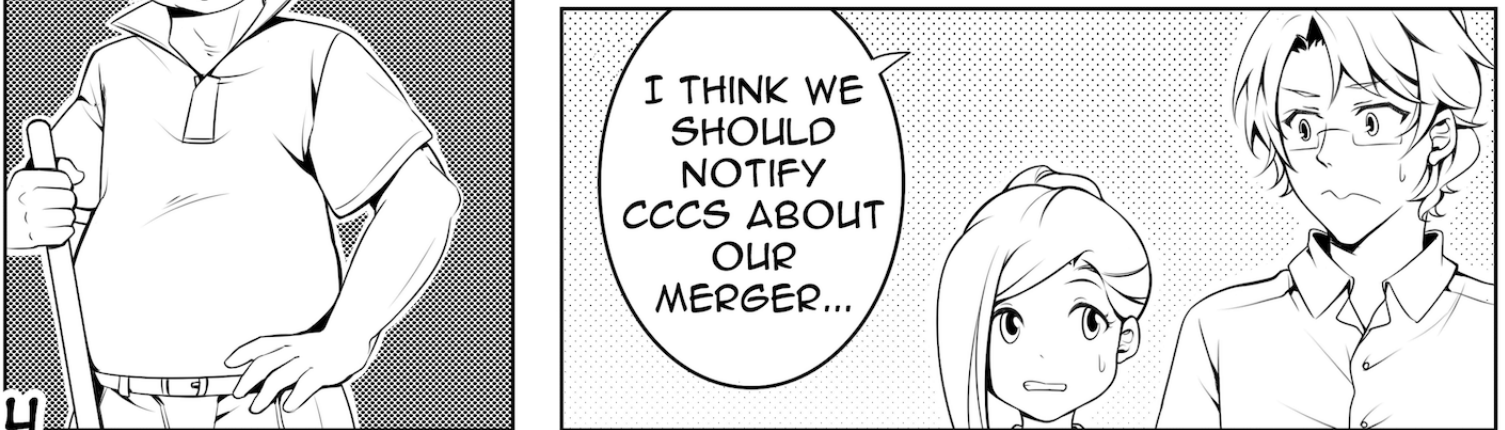
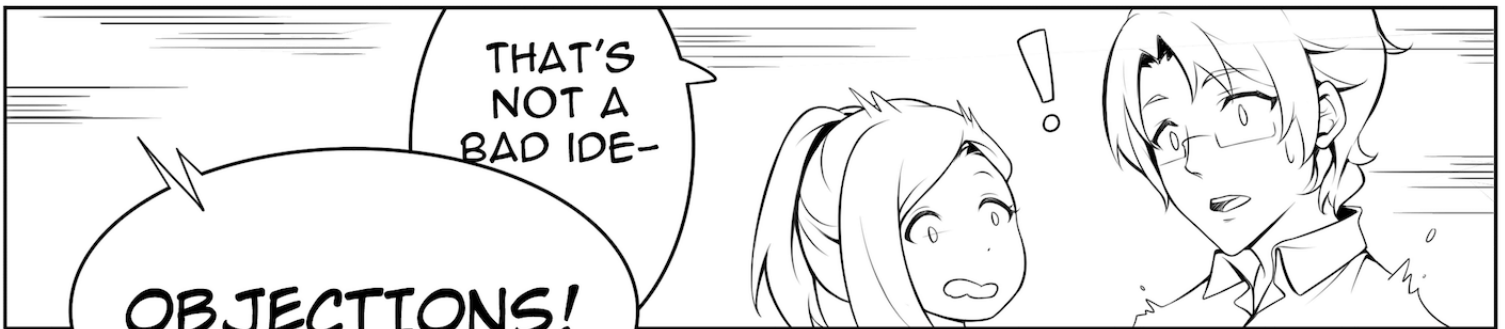
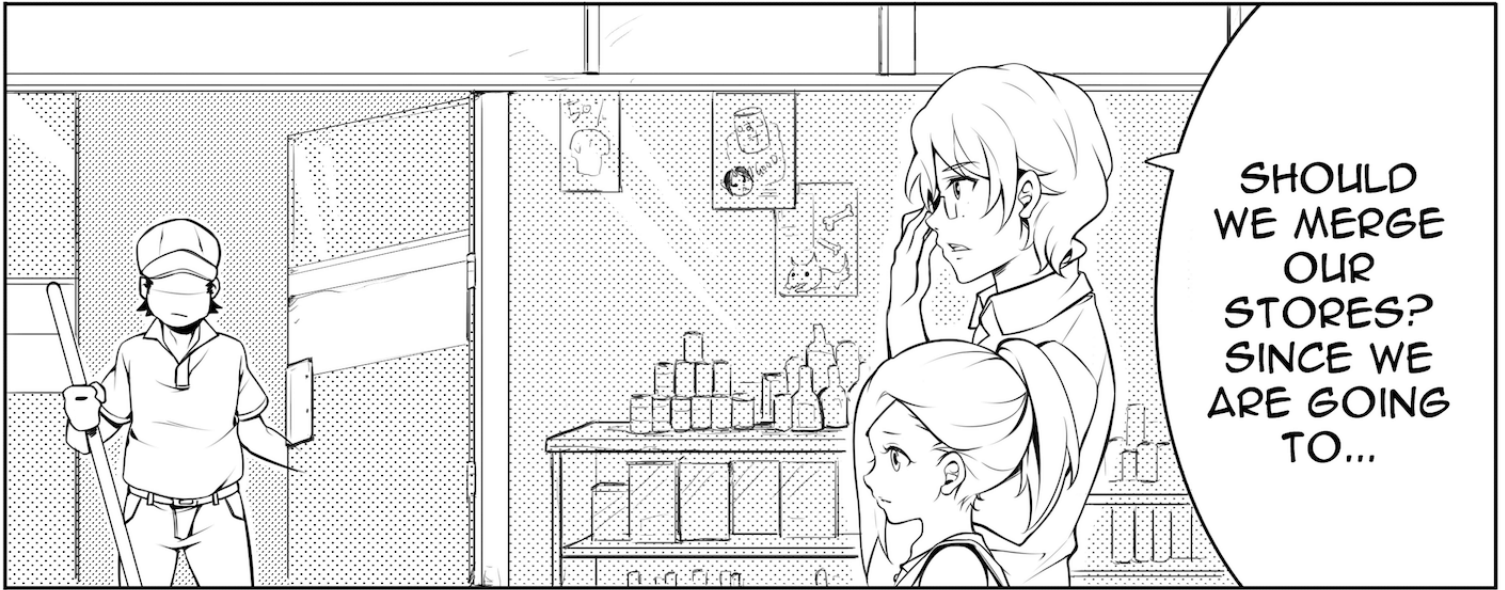
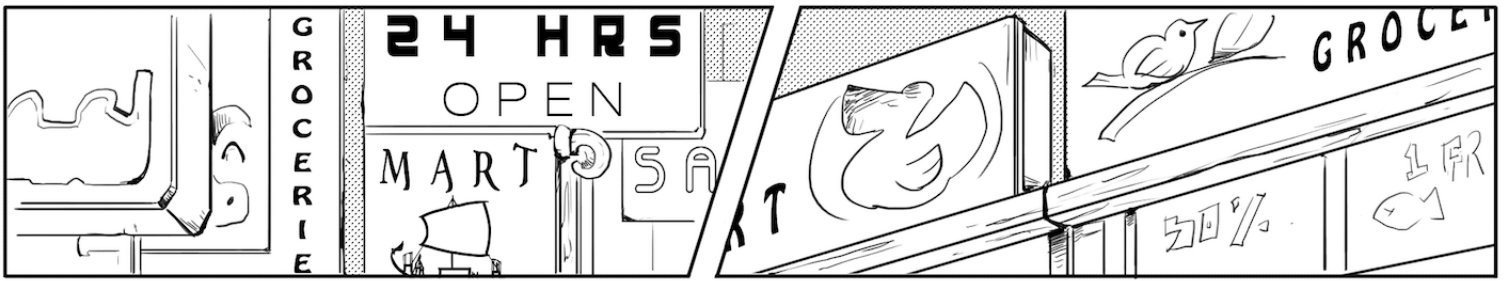


WE GREW  
CLOSER AS  
WE GOT TO  
KNOW EACH  
OTHER MORE.



WE STARTED  
HELPING EACH  
OTHER TO  
SERVE  
CUSTOMERS  
AS OUR  
BUSINESS  
GREW. BEFORE  
WE KNEW IT,  
IT FELT LIKE  
WE SHOULD  
DO THIS  
TOGETHER.

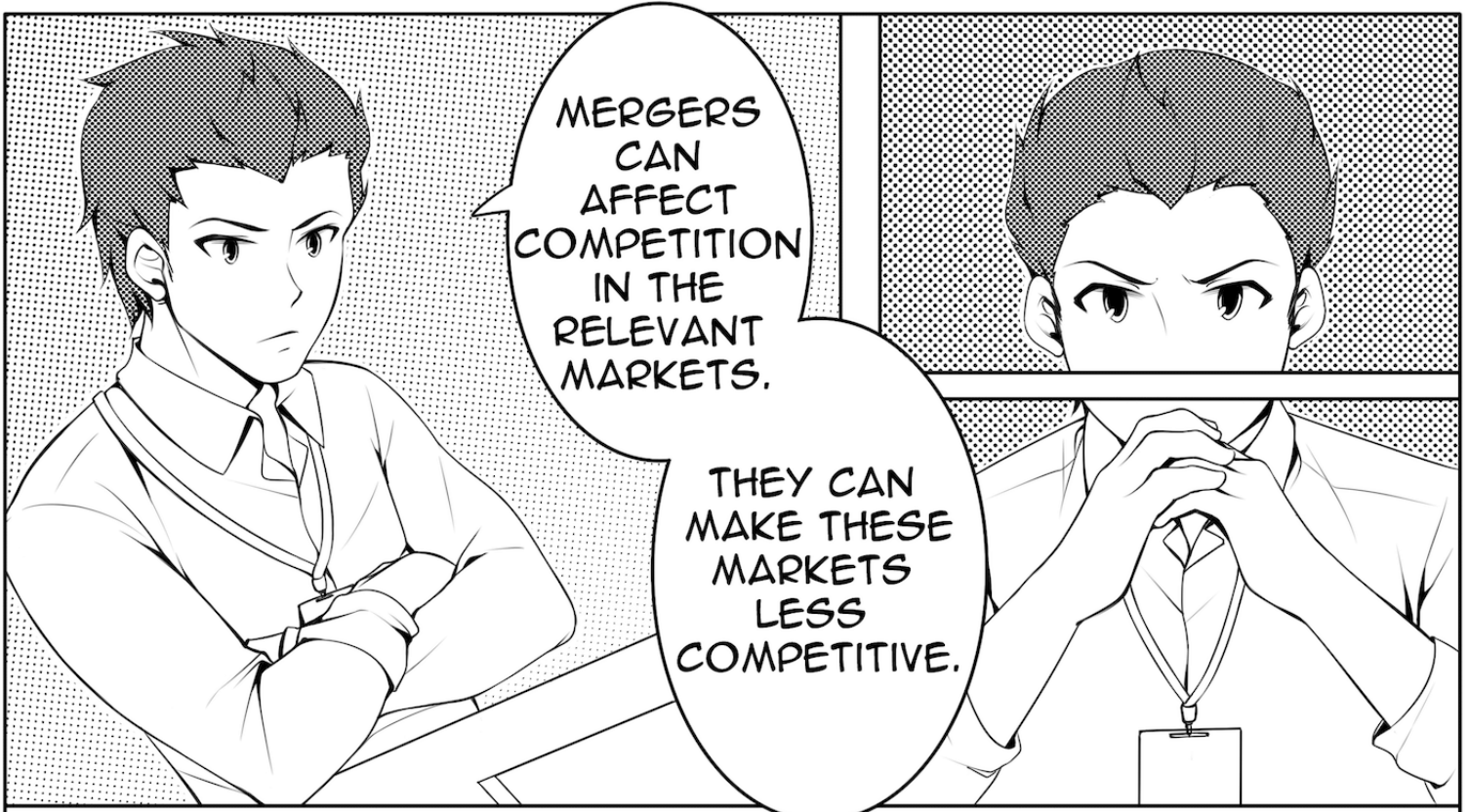






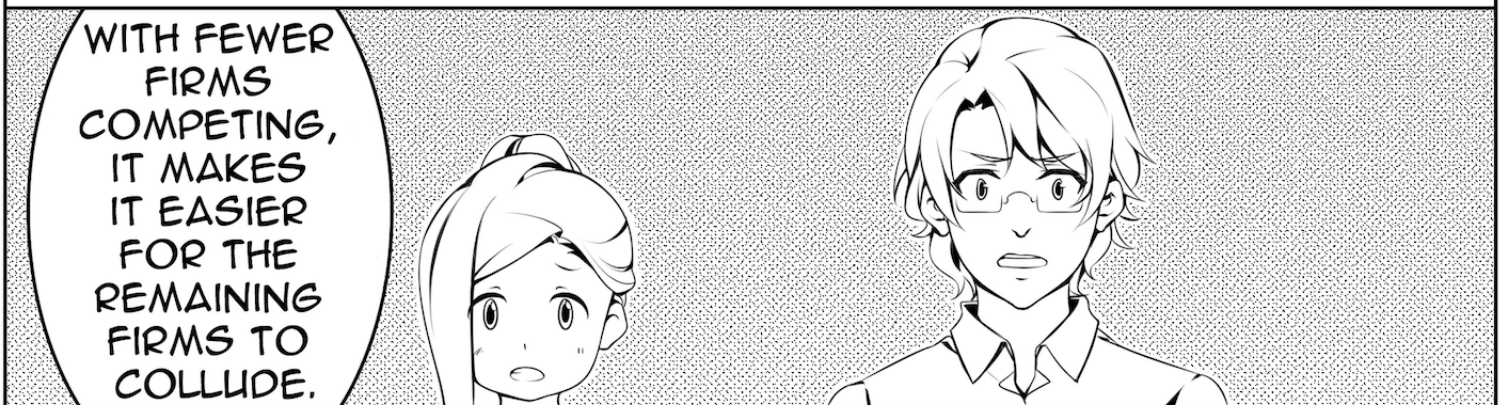
THE APPLICATION WAS SUBMITTED.



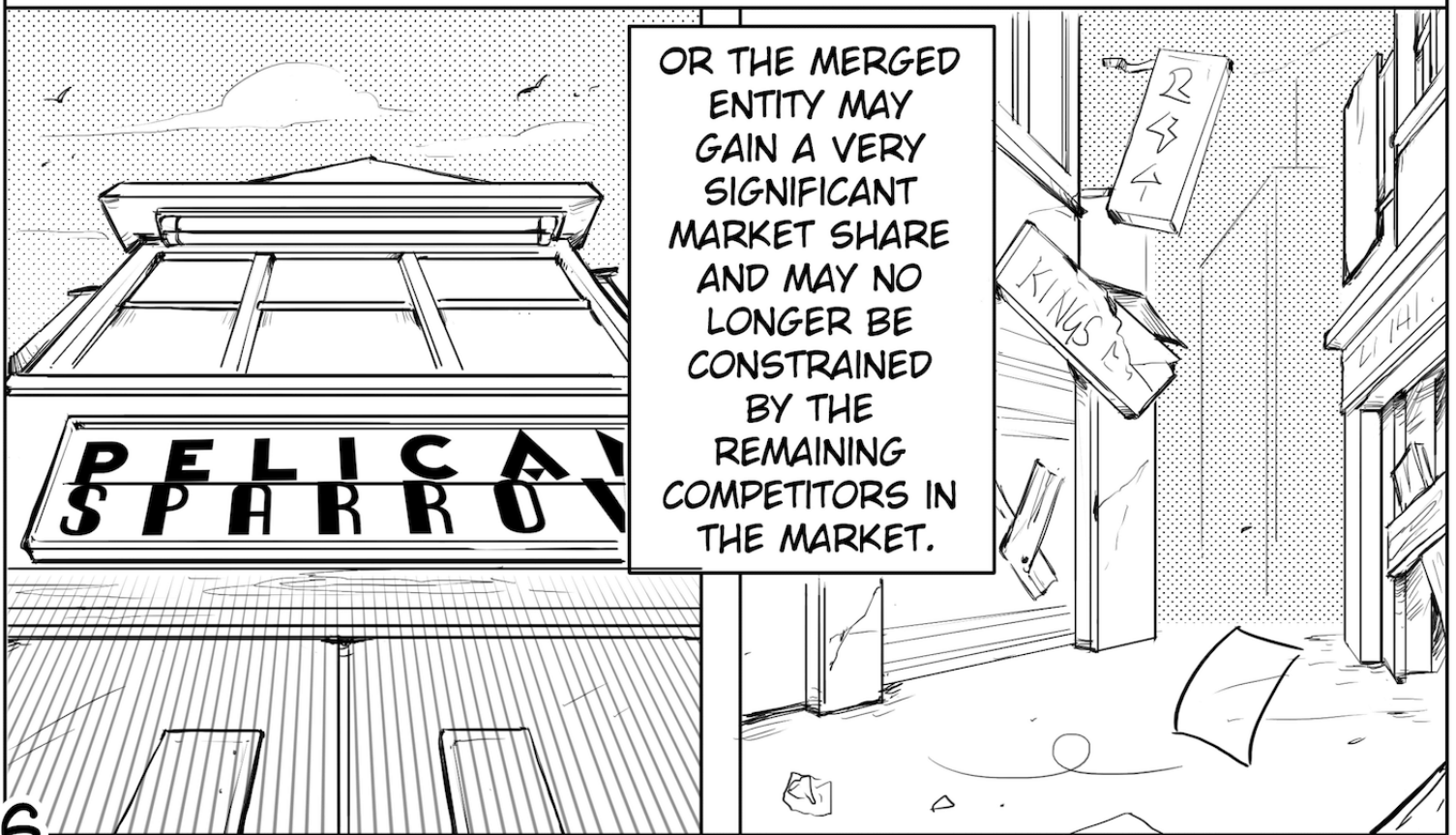


MERGERS CAN AFFECT COMPETITION IN THE RELEVANT MARKETS.

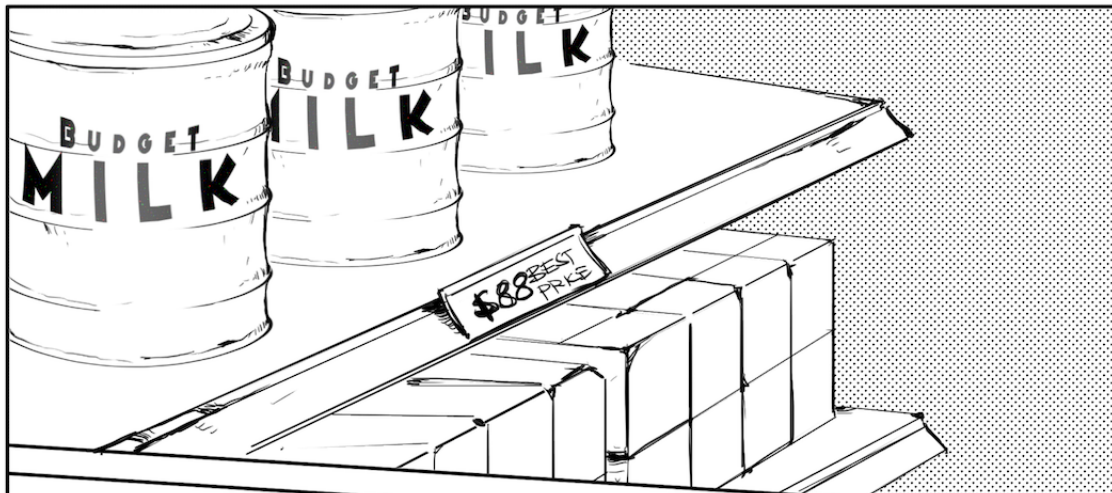
THEY CAN MAKE THESE MARKETS LESS COMPETITIVE.



WITH FEWER FIRMS COMPETING, IT MAKES IT EASIER FOR THE REMAINING FIRMS TO COLLUDE.



OR THE MERGED ENTITY MAY GAIN A VERY SIGNIFICANT MARKET SHARE AND MAY NO LONGER BE CONSTRAINED BY THE REMAINING COMPETITORS IN THE MARKET.



WITH THE SUBSTANTIAL LESSENING OF COMPETITION, THE MERGED FIRM CAN RAISE PRICES WITHOUT WORRYING ABOUT LOSING MARKET SHARE TO COMPETITORS.

WITHOUT COMPETITION, THERE IS NO INCENTIVE TO PROVIDE CUSTOMERS BETTER GOODS OR SERVICES. IN THE END, THE MARKET AND CONSUMERS SUFFER.

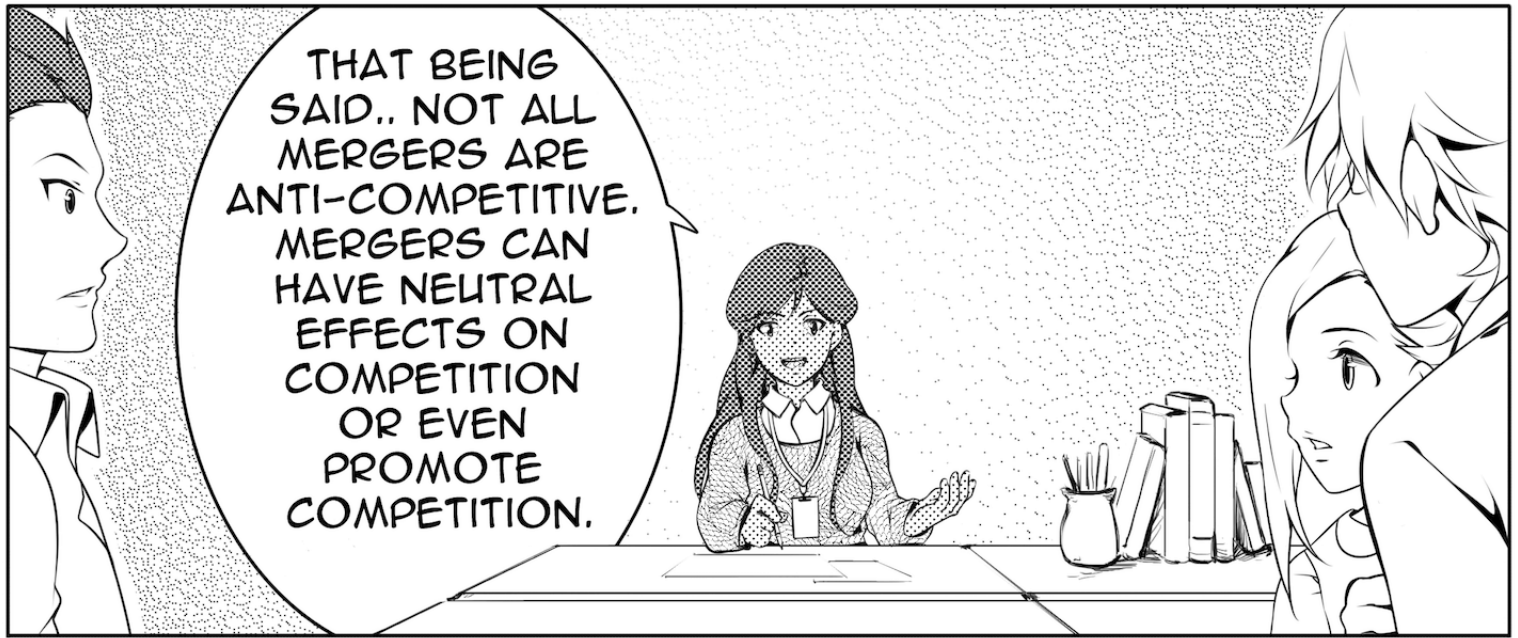


NO WAY!  
WE WILL NOT ENGAGE IN THAT SORT OF BEHAVIOR!



YES, THAT IS NOT THE RIGHT WAY TO RUN A BUSINESS.



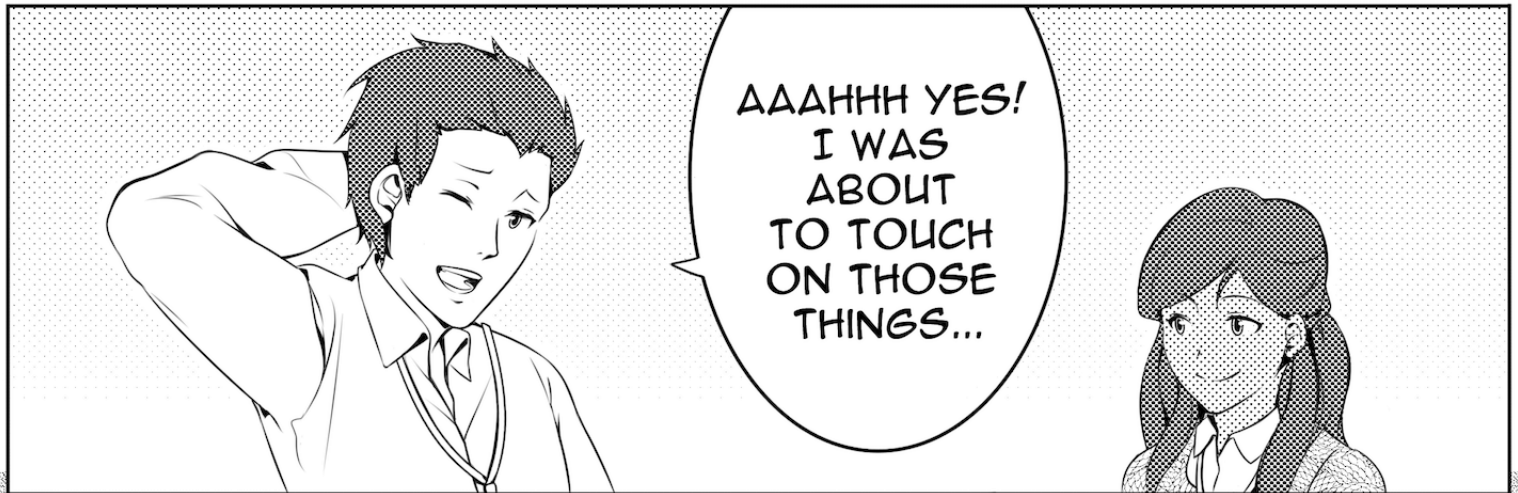


THAT BEING SAID.. NOT ALL MERGERS ARE ANTI-COMPETITIVE. MERGERS CAN HAVE NEUTRAL EFFECTS ON COMPETITION OR EVEN PROMOTE COMPETITION.

WE WILL EXAMINE THE FACTS AND CIRCUMSTANCES OF EACH CASE CAREFULLY.

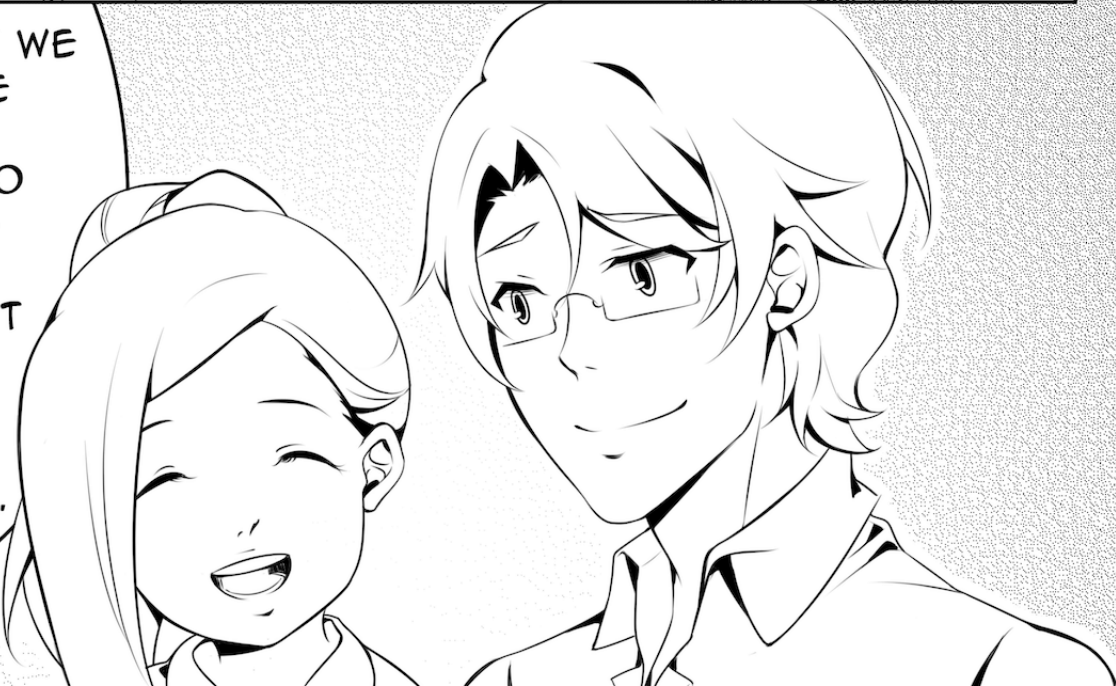


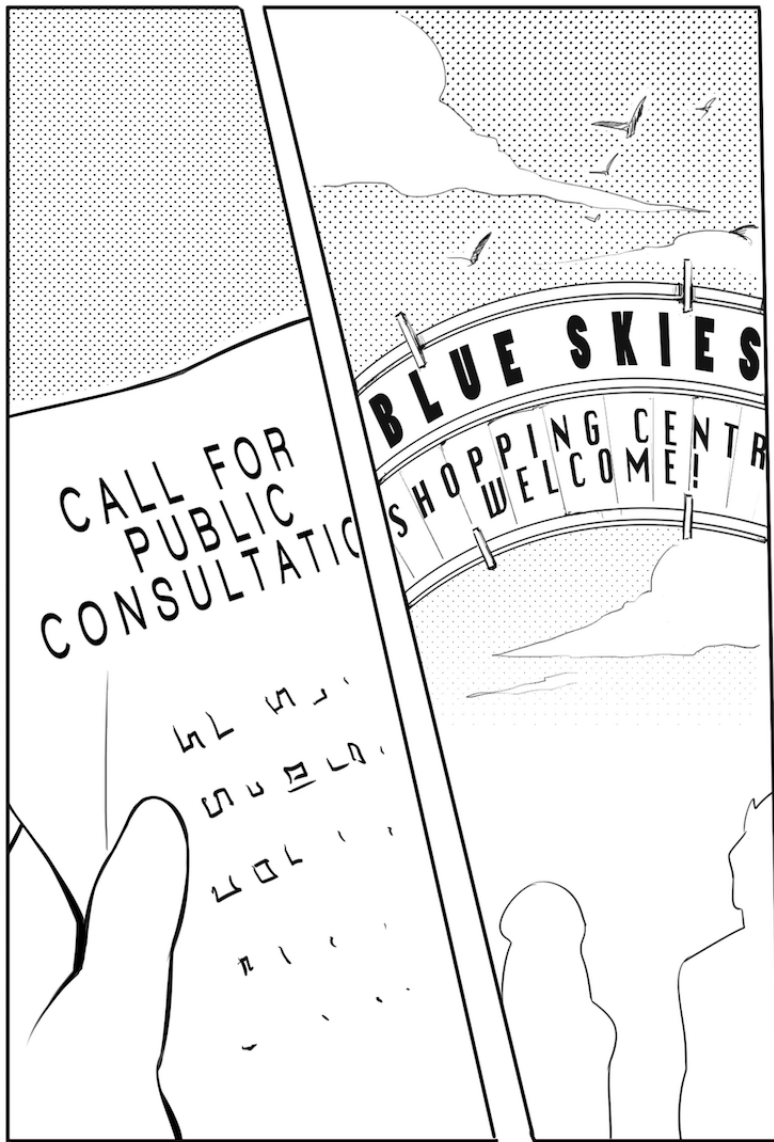
WE WILL NEED TO CONSULT RELEVANT STAKEHOLDERS BEFORE DECIDING.



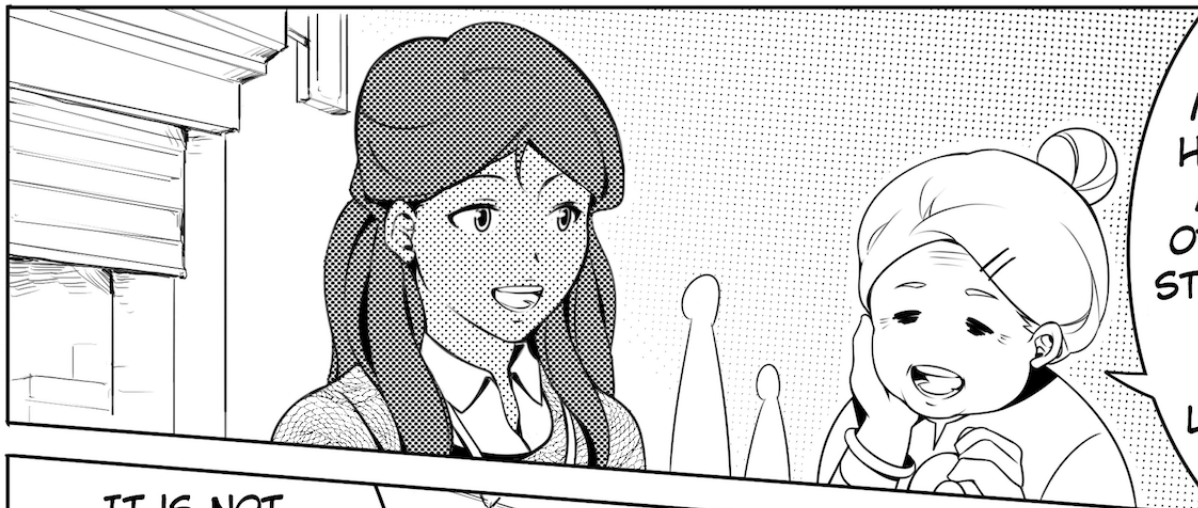
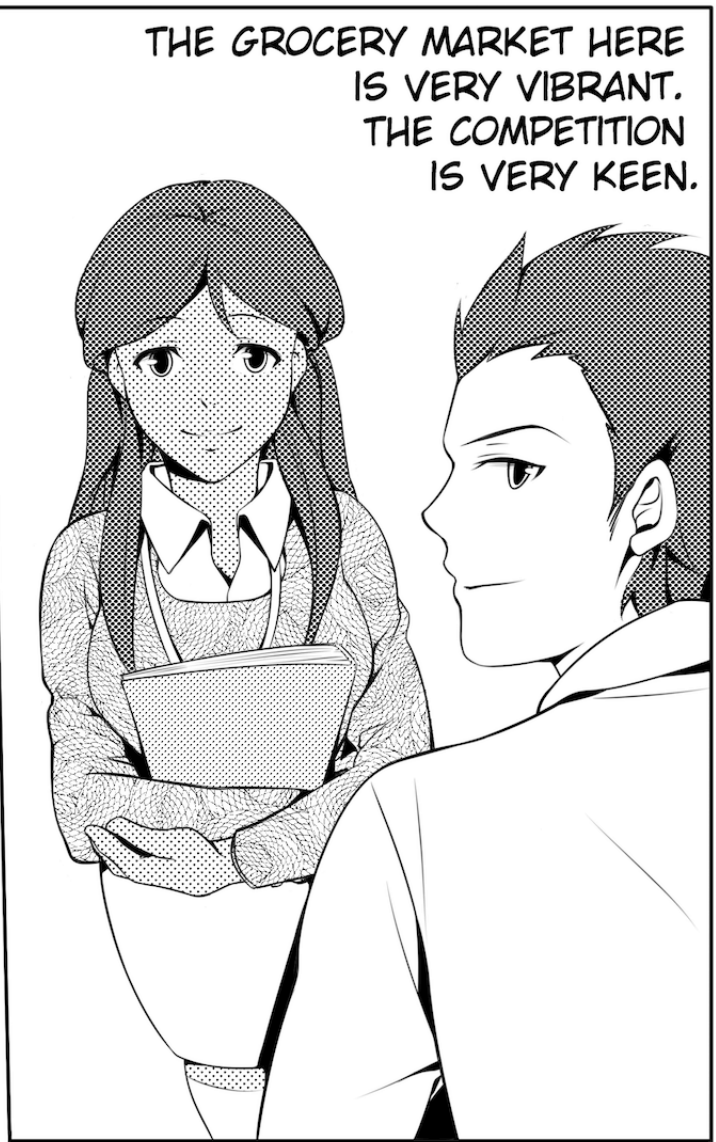
AAAHHH YES! I WAS ABOUT TO TOUCH ON THOSE THINGS...

WELL... AT LEAST WE KNOW WE ARE DOING THE RIGHT THING TO NOTIFY CCCS IF WE ARE UNSURE ABOUT THE EFFECTS OF OUR MERGER ON COMPETITION.





THE GROCERY MARKET HERE IS VERY VIBRANT. THE COMPETITION IS VERY KEEN.



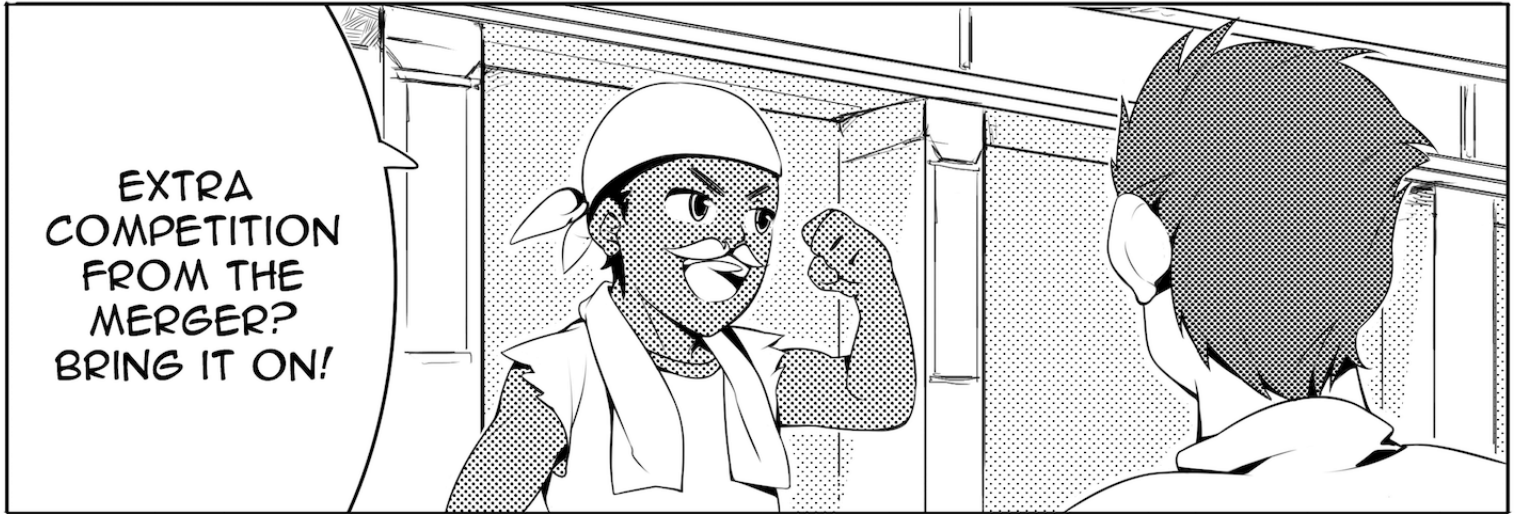
THERE ARE MANY CHOICES HERE AS THERE ARE A LOT OF OTHER GROCERY STORES OFFERING SIMILAR PRODUCTS LIKE SPARROW AND PELICAN.



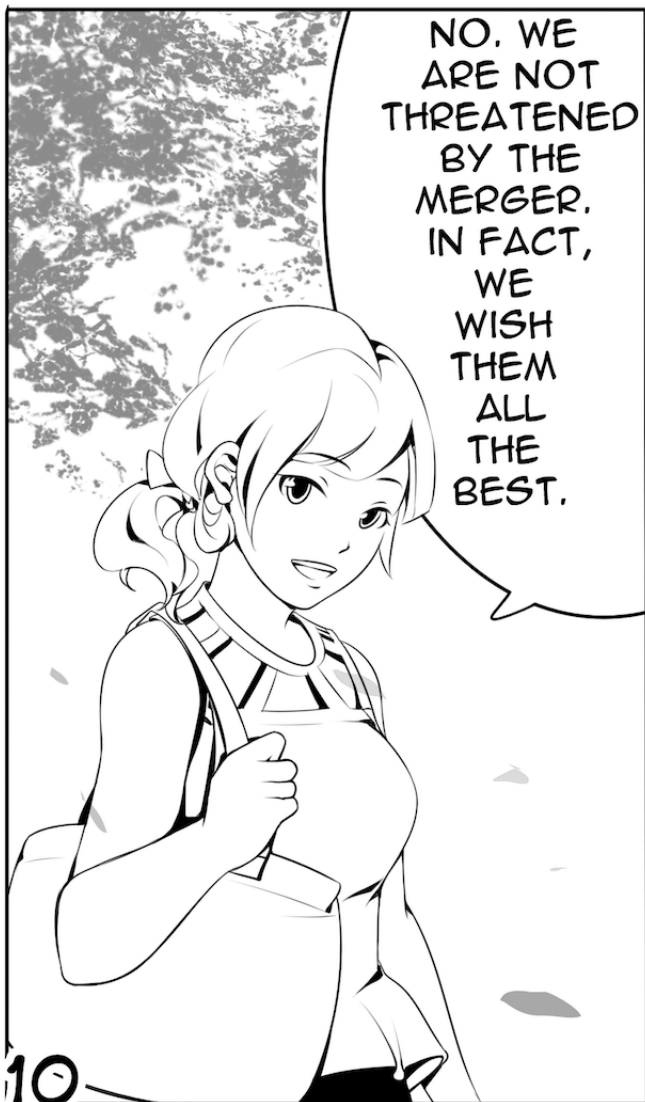
IT IS NOT DIFFICULT TO SET UP A NEW STORE. BARRIERS TO ENTRY ARE NOT EXTREMELY HIGH. WE SEE FREQUENT ENTRY AND EXIT OF STORES HERE.



OUR SUPPLIERS TREAT ALL OF US EQUALLY.



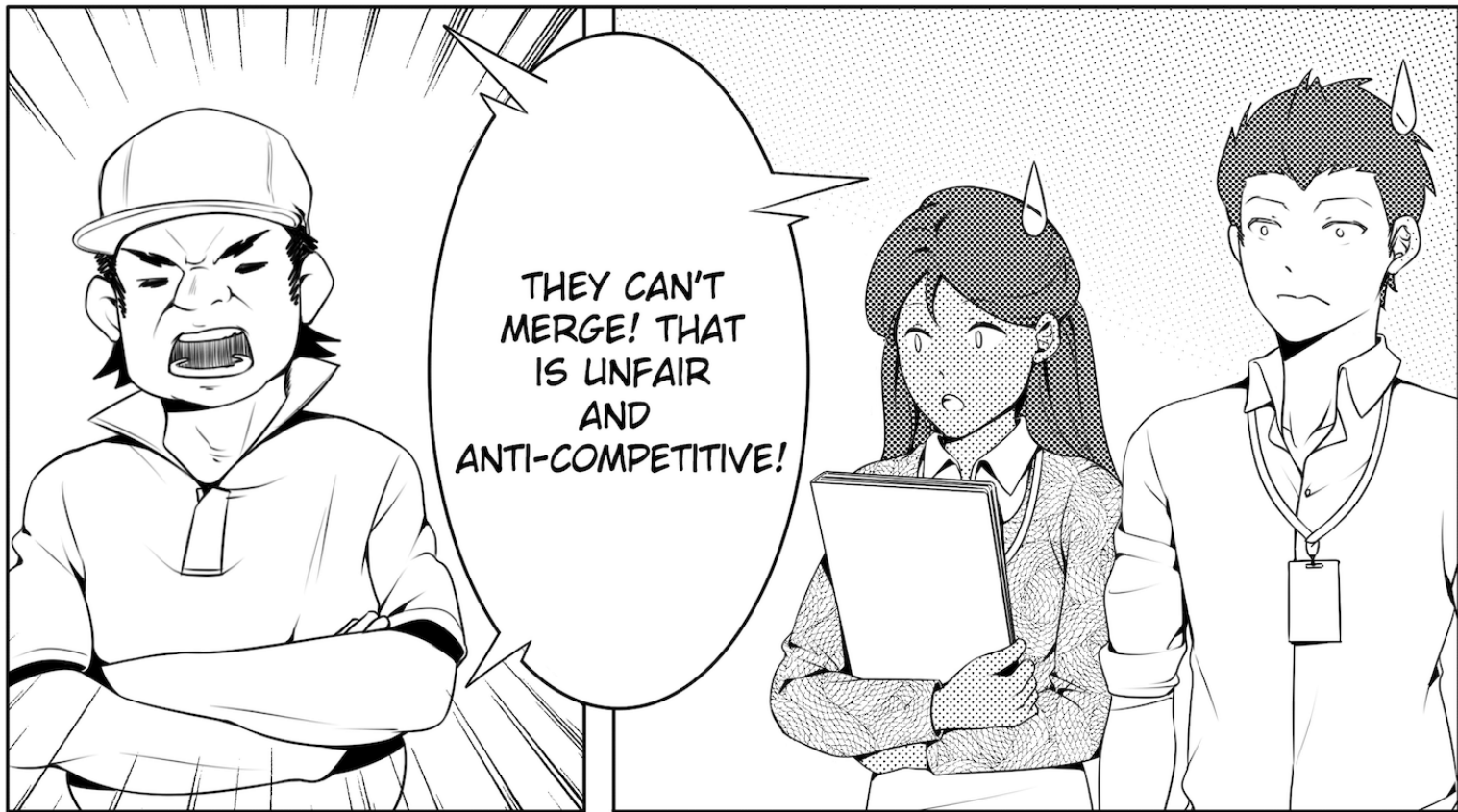
EXTRA COMPETITION FROM THE MERGER? BRING IT ON!



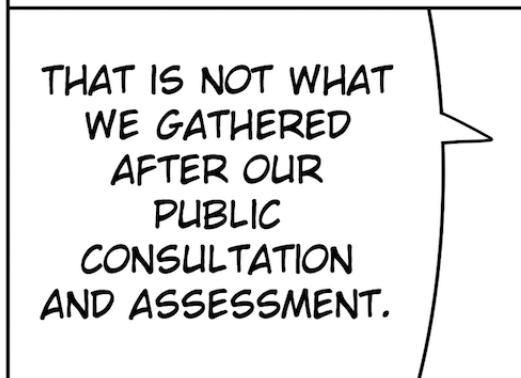
NO. WE ARE NOT THREATENED BY THE MERGER. IN FACT, WE WISH THEM ALL THE BEST.



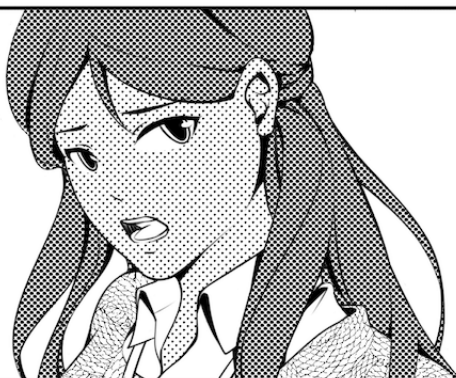
WAIT!



THEY CAN'T  
MERGE! THAT  
IS UNFAIR  
AND  
ANTI-COMPETITIVE!



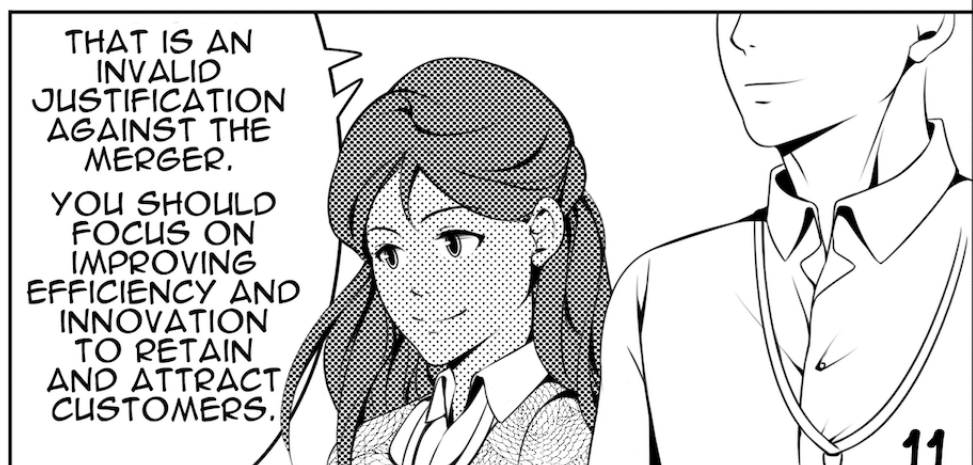
THAT IS NOT WHAT  
WE GATHERED  
AFTER OUR  
PUBLIC  
CONSULTATION  
AND ASSESSMENT.



ARE YOU  
WORRIED THAT  
THEY WILL  
WIN OVER  
YOUR CUSTOMERS  
AFTER  
MERGING?

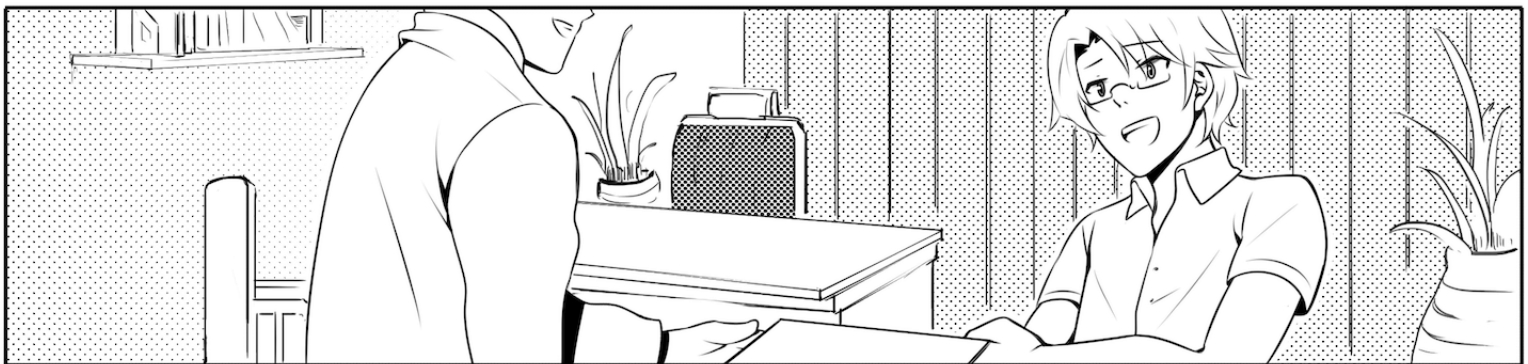
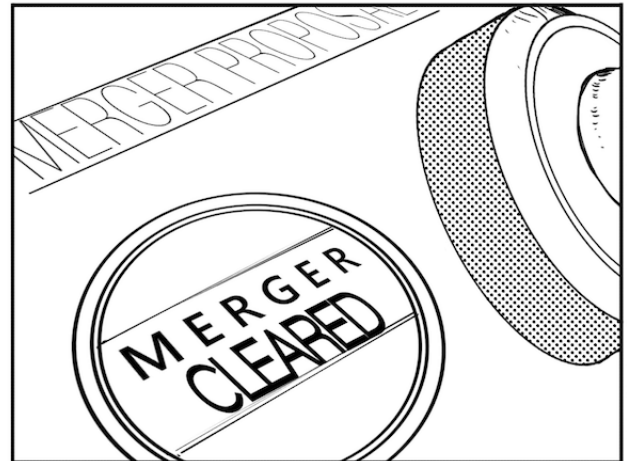
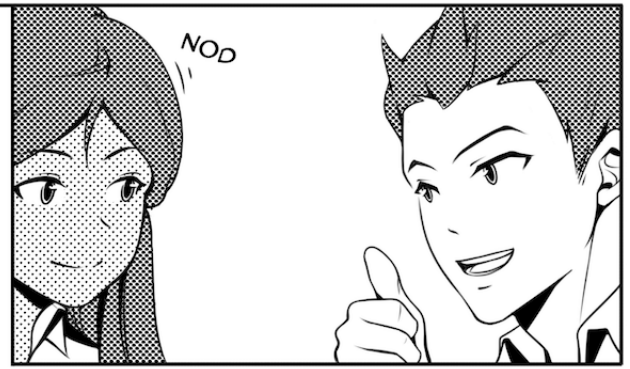
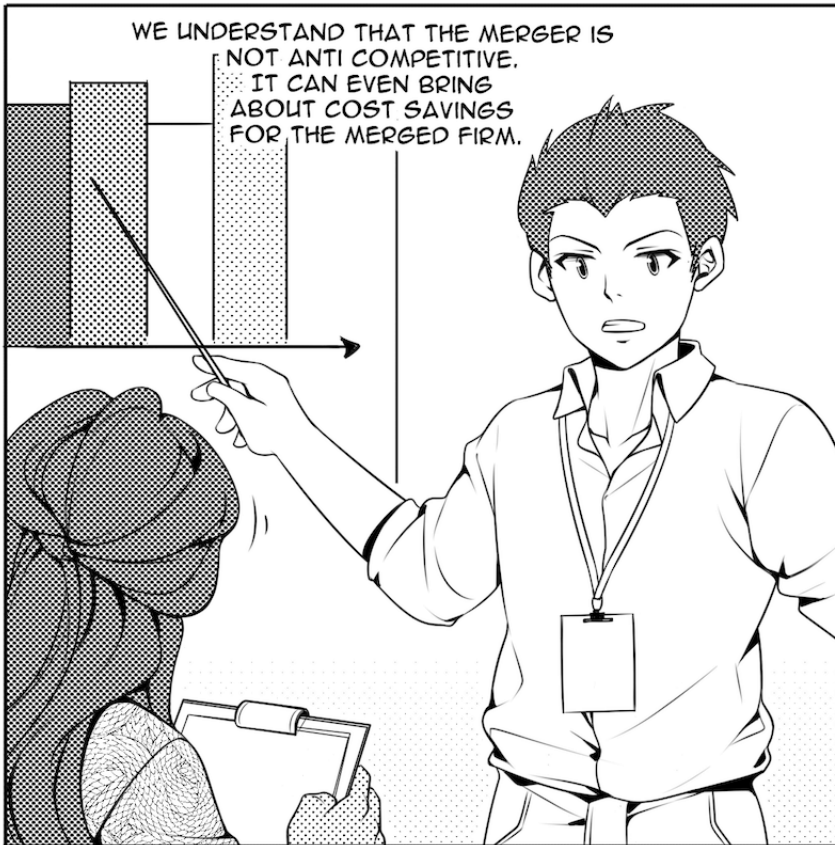


WELL...  
MAYBE...

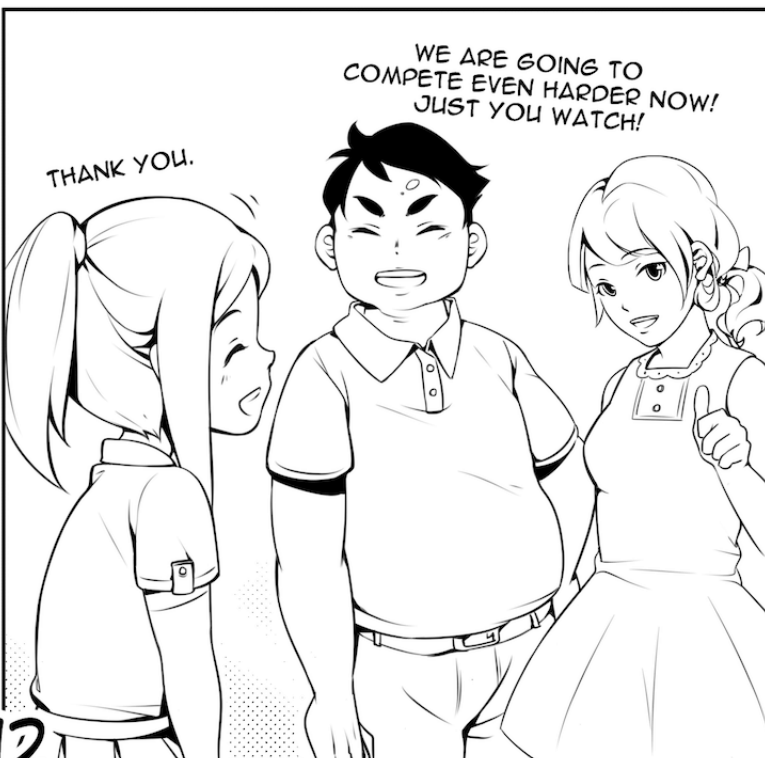


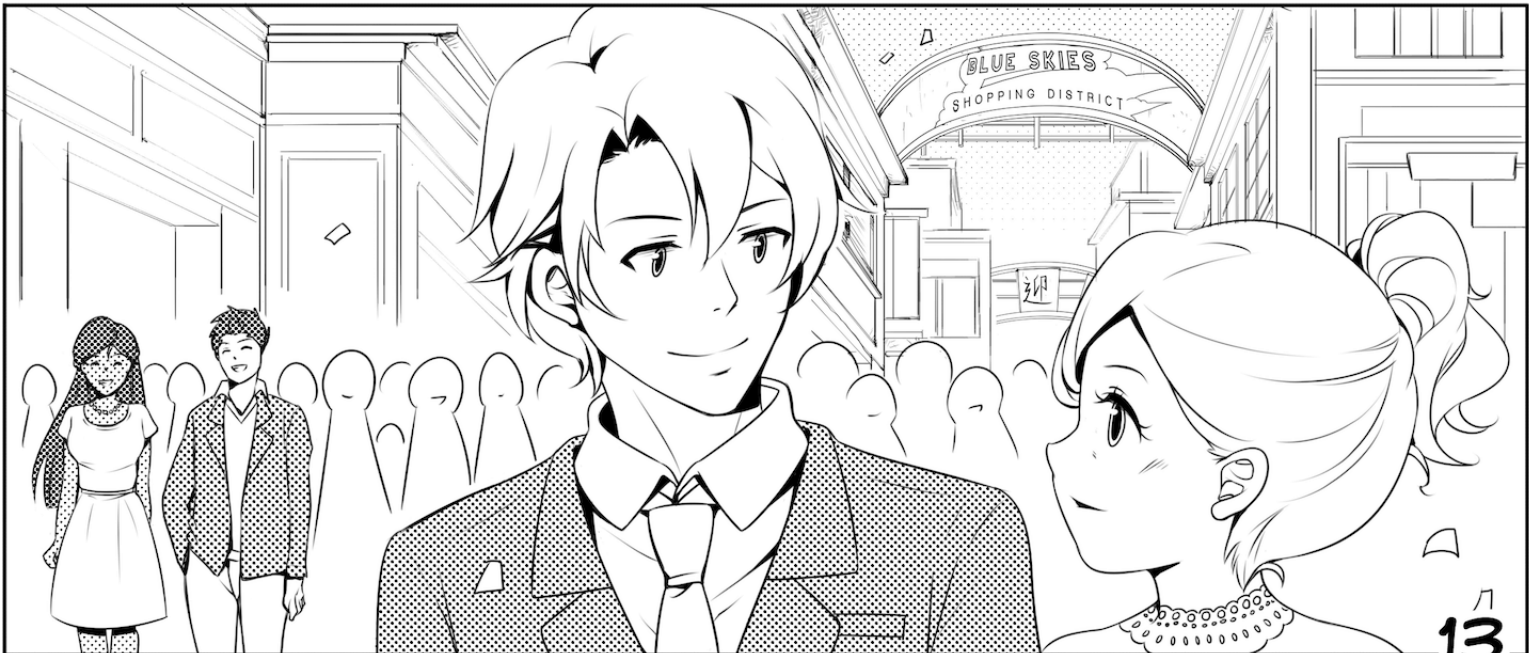
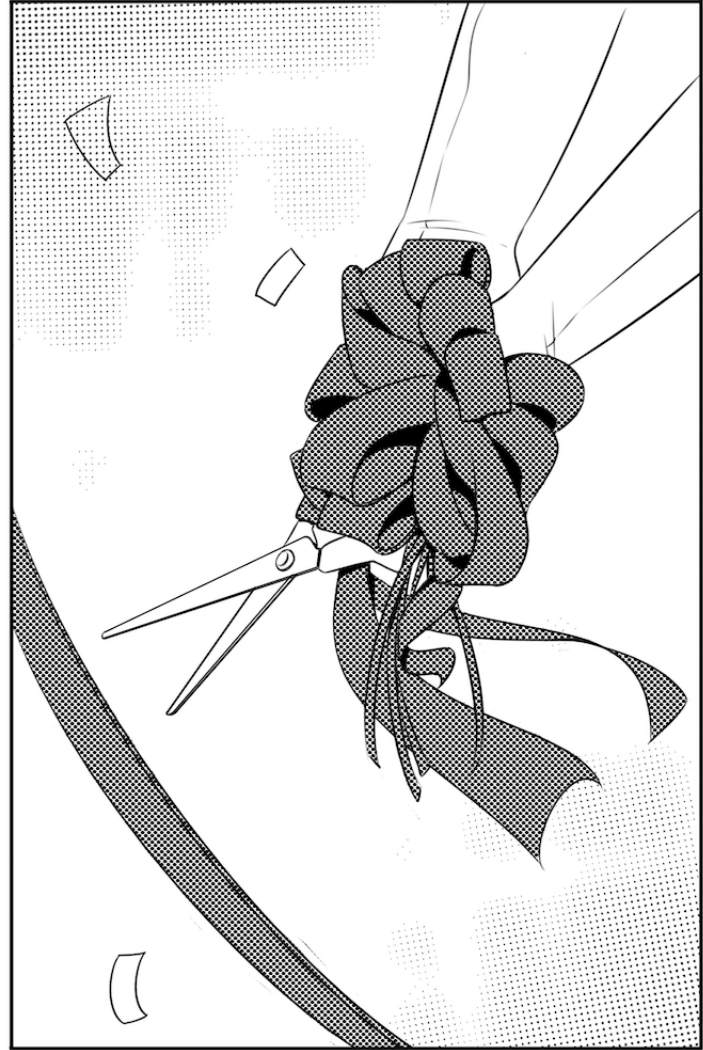
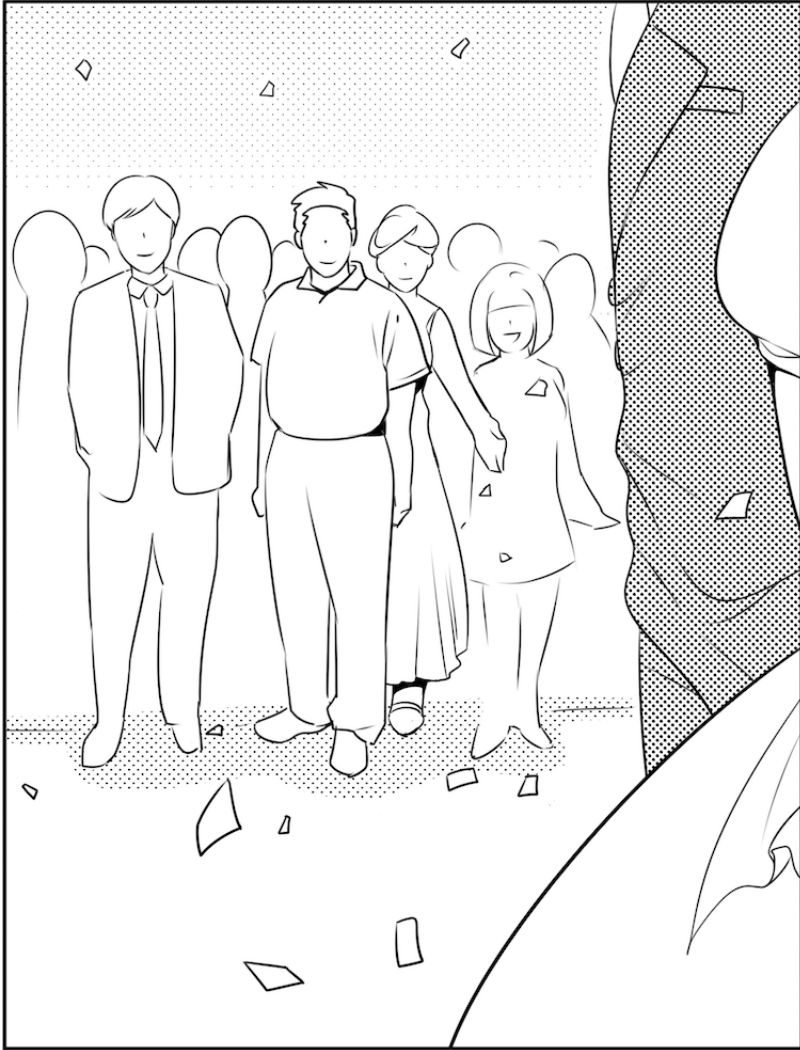
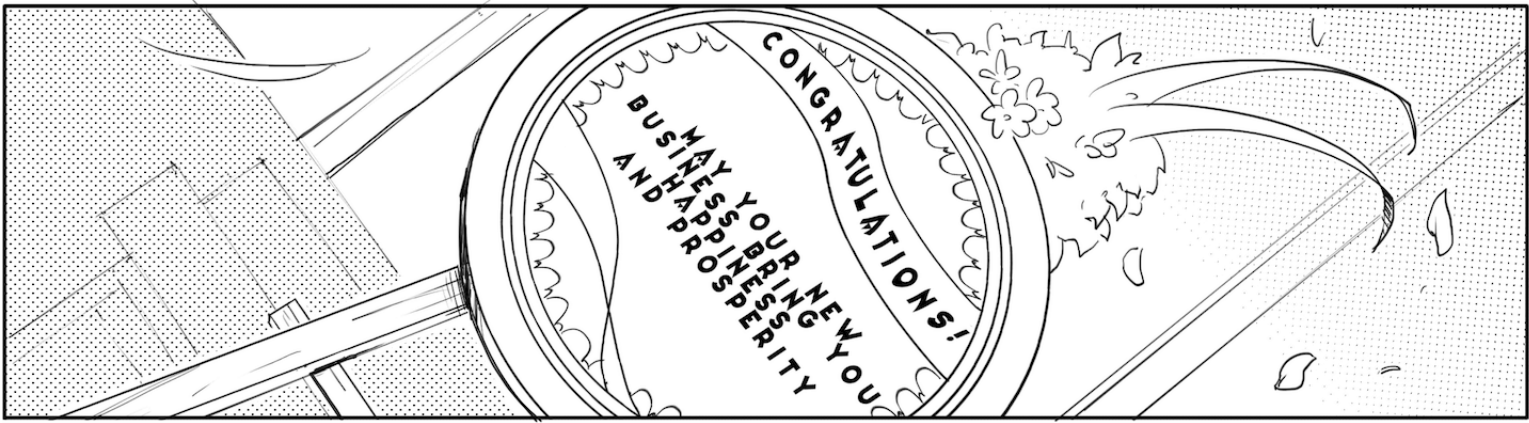
THAT IS AN  
INVALID  
JUSTIFICATION  
AGAINST THE  
MERGER.  
YOU SHOULD  
FOCUS ON  
IMPROVING  
EFFICIENCY AND  
INNOVATION  
TO RETAIN  
AND ATTRACT  
CUSTOMERS.

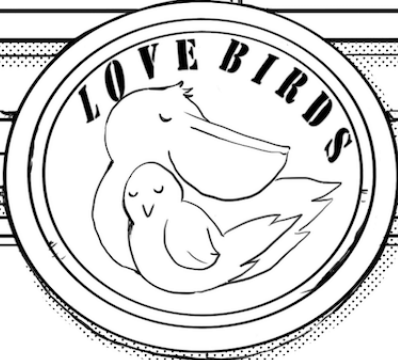
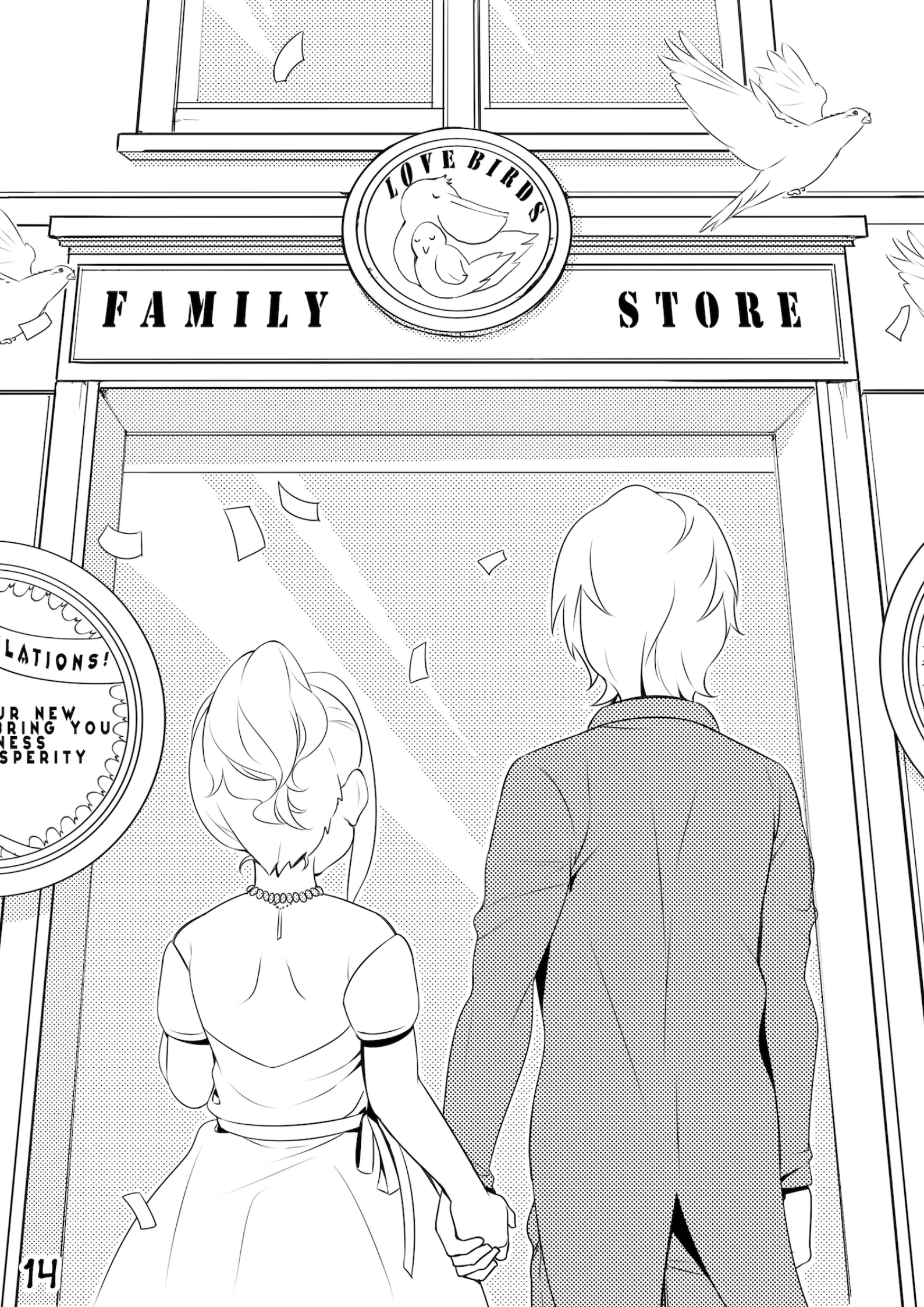
AT THE END OF THE CONSULTATION AND EVALUATION PERIOD...



BACK IN BLUE SKIES...







**FAMILY STORE**

CONGRATULATIONS!  
YOUR NEW WEDDING BRING YOU BUSINESS AND PROSPERITY

"Fused" was published to help businesses better understand the voluntary merger notification regime in Singapore.

## What is a merger?

A merger takes place where:

- Two or more independent parties merge;
- One or more parties acquire direct or indirect control of another party; or
- One part acquires all or a substantial part of the assets of another part such that it can replace or substantially replace that party in the business or in the relevant part of the business.



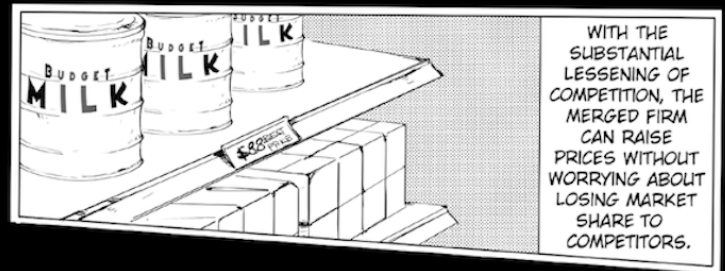
## Prohibition against anti-competitive merger

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

### Indicative merger thresholds

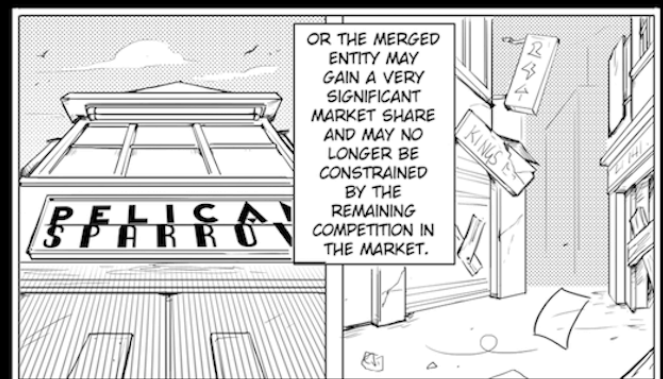
Generally, competition concerns are unlikely to arise in a merger situation unless:

- The merged entity will have a market share of 40% or more; OR
- The merged entity 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.



Further, CCCS is unlikely to be concerned with merger transaction that only involves small companies, namely where: -

- The turnover in Singapore in the preceding financial year of each of the parties is less than \$5 million; AND
- Combined worldwide turnover of all the parties is less than \$50 million in the financial year preceding the merger.



## Consequences of a merger infringing the Act

Financial penalties of up to 10% of the turnover of the business of the undertaking in Singapore for each year of infringement, up to a maximum of 3 years, may be imposed in a situation where a merger is found to have infringed the Competition Act. Directions to remedy, mitigate or eliminate the adverse competition effects arising from the merger may also be issued.



## How can CCCS help parties who intend to merge?

Singapore has a voluntary notification merger regime. Merging entities are not required to notify CCCS of the merger but should carry out their own self-assessment. If they are concerned about infringing the Act, they should seek legal advice or notify the merger to CCCS.

## What can I do?

### REPORT

If you know of an anti-competitive merger, file a complaint with CCCS.

### GIVE VIEWS

CCCS publishes notified mergers on our website to solicit views. Visit the 'Public Consultation' section to give your views.

### SELF-ASSESS

If you are merging with another company, carry out a self-assessment using the "CCCS Guidelines on the Substantive Assessment of Mergers".

### FILE A NOTIFICATION

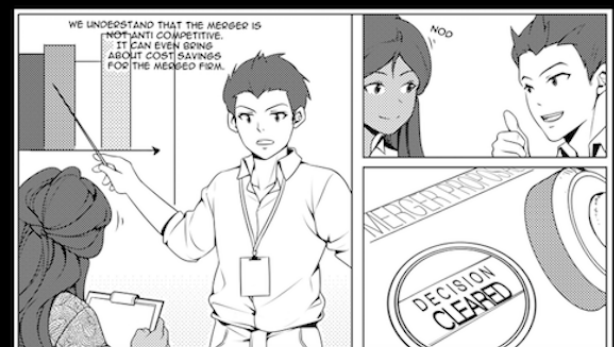
If you have competition concerns pertaining to a merger after performing the self-assessment, seek legal advice or notify the merger to CCCS.

**For more information, you may contact CCCS at the following:**

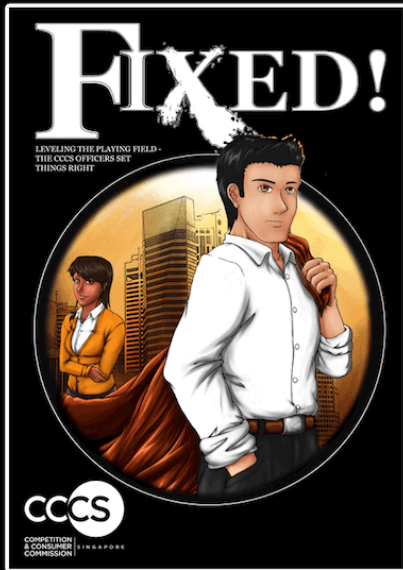
**Hotline**  
1800 325 8282

**Email**  
cccs\_feedback@cccs.gov.sg (Enquiries/Feedback)

**CCCS Website**  
www.cccs.gov.sg



# Other titles in the CCCS Manga Series



'Fixed' was intended to help you identify possible cartel activities and show you how to bring them to the attention of the Competition and Consumer Commission of Singapore (CCCS)

Ever since Ah Kai's shop closed down, the handphone market had been slow. Ah Kai revealed that there was a cartel activity going on.

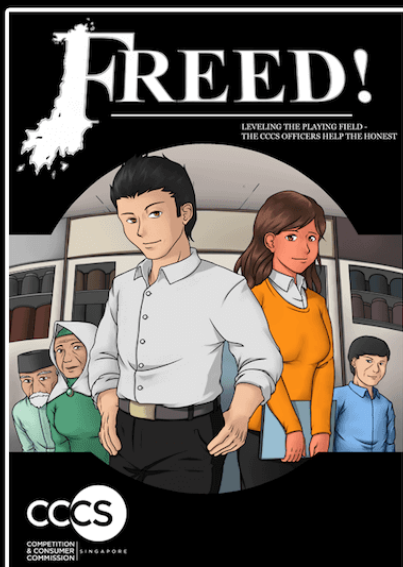
How did CCCS deal with it?



'Foiled!' was published to help you understand what types of business conduct are regarded as an abuse of dominance, which is against the law under the Competition Act.

Ling and her master arrived in The City of Champions to set up Red Phoenix Martial Arts School. However, the dominant player, Black Tiger Combat School would not allow that!

It is up to CCCS to set things right!



'Freed!' was intended to create awareness about the CCCS's Leniency Programme which was set up to encourage cartel members to come forward to provide information on cartels.

Edward Lim was an honest businessman till he joined a cartel. Soon, he realised the negative effects of a cartel and he wanted to get out of it.

CCCS is here to help!



COMPETITION  
& CONSUMER COMMISSION | SINGAPORE

**FUSED!**

Brought to you by

