



## MEDIA RELEASE

14 August 2020

### **CCCS Clears Proposed Acquisition of Bombardier Transportation by Alstom**

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has cleared the proposed acquisition of Bombardier Transportation (Investment) UK Ltd (“**Bombardier Transportation**”) by Alstom S.A. (“**Alstom**”) (the “**Proposed Transaction**”) (each, a “**Party**” and collectively, “**the Parties**”).
2. Following its assessment, CCCS has concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act (Cap. 50B) (the “**Act**”).

#### **Background**

3. CCCS accepted a notification by Alstom on 12 May 2020 for a decision on whether the Proposed Transaction would infringe section 54 of the Act, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.
4. Alstom, a French corporation, is a global player in the world rail transport industry, providing a full range of solutions (from high-speed trains to metros, trams and e-buses), related services (maintenance and modernisation) as well as offerings dedicated to passengers and infrastructure, digital mobility and signalling solutions.<sup>1</sup> In Singapore, Alstom supplies trains for Mass Rapid Transit (“**MRT**”) lines; urban signalling systems for MRT lines; turnkey solutions for rail transport; MRT system infrastructure including trackwork and third rails for rail electrification; and maintenance, repair services and spare parts.

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<sup>1</sup> Alstom is the ultimate parent company of the Alstom group of companies (the “Alstom Group”). The Alstom Group comprises entities such as Alstom Transport SA, Alstom Transport Holdings B.V, New Alstom Holdings B.V., and Alstom Transport (S) Pte. Ltd.

5. Bombardier Transportation, a private company incorporated in England and Wales, is the global rail solutions division of Bombardier Inc<sup>2</sup> (which is also the majority shareholder of Bombardier Transportation). It offers a wide range of rail solutions, ranging from trains to sub-systems and signalling to complete turnkey transport systems, e-mobility technology and data-driven maintenance services globally. In Singapore, Bombardier Transportation supplies trains for MRT lines; trains for Light Rapid Transit (“LRT”) lines, turnkey solutions for rail transport; urban signalling systems; services related to the supply of communication systems; and maintenance, repair services and spare parts.

### **CCCS’s Assessment**

6. As part of its assessment, CCCS conducted a public consultation from 15 May to 29 May 2020 and contacted key stakeholders including suppliers (both existing and potential) of either trains for MRT lines and/or urban signalling systems, operators of MRT lines in Singapore and LTA as the sole customer.

### **Relevant markets affected by the Proposed Transaction**

7. CCCS considered the following relevant markets in its assessment of the Proposed Transaction:

- (a) The supply of trains for MRT lines in Singapore; and
- (b) The supply of urban signalling systems for MRT lines in Singapore.

### **Competition assessment for each relevant market**

#### (a) The supply of trains for MRT lines in Singapore

8. **CCCS found that it is likely that there continues to be sufficient competition post-Transaction.** Based on CCCS’s analysis of past tenders over the last ten years, there exist a number of suppliers which have participated in tenders, some with win rates and participation rates higher or at least equal to Alstom and Bombardier Transportation. CCCS’s analysis also shows that the Parties are unlikely to be each other’s closest competitor. In this regard, existing suppliers (including suppliers which have participated in tenders in Singapore before, but have never won); and potential suppliers (i.e. suppliers which have never participated in a tender in Singapore before) are likely to constrain the merged entity’s ability to raise prices.

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<sup>2</sup> Bombardier Inc is the parent company of the Bombardier Group, comprising subsidiaries such as Bombardier Aviation and Bombardier Transportation.

9. While barriers to entry and expansion may be significant for new potential suppliers, they are less so for existing suppliers. Further, the presence of countervailing buyer power by the Land Transport Authority (“LTA”) as the sole customer of trains for MRT lines in Singapore could serve to constrain the merged entity’s ability to raise prices.

(b) The supply of urban signalling systems for MRT lines in Singapore

10. CCCS found that **Bombardier Transportation does not have any market share** as it has not won any tenders it has participated in Singapore thus far. In this regard, there is no incremental increase in the Parties’ combined market share arising from the Proposed Transaction.

11. Similar to the supply of trains for MRT lines in Singapore, **CCCS found that it is likely that there continues to be sufficient competition post-Transaction.** In particular, the Parties are unlikely to be each other’s closest competitor. Existing suppliers and potential suppliers are likely to constrain the merged entity’s ability to raise prices. While barriers to entry and expansion may be significant for new potential suppliers, they are less so for existing suppliers. Further, the presence of countervailing buyer power by the LTA as the sole customer of urban signalling systems for MRT lines in Singapore could serve to constrain the merged entity’s ability to raise prices.

12. 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 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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