



MEDIA RELEASE

12 October 2018

CCCS CLEARS PROPOSED JOINT VENTURE INVOLVING HEARING AID SUPPLIERS

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has issued a clearance decision on a joint notification by EQT Fund Management S.à.r.l. (“**EQT**”) and Widex Holding A/S (“**Widex Holding**”) (collectively, the “**Parties**”) in relation to the creation of a full function joint venture (the “**Joint Venture**”) which will combine the activities of Sivantos Pte. Ltd. (Singapore) (“**Sivantos**”) and Widex A/S (“**Widex**”) (being subsidiaries of EQT and Widex Holding, respectively) and their respective subsidiaries (the “**Proposed Transaction**”).
2. On 3 September 2018, CCCS received the joint notification from the Parties. Following a review of the Proposed Transaction, CCCS concluded that it will not infringe the prohibition in section 54 of the Competition Act (Cap. 50B) (the “**Act**”).¹

Background

3. Sivantos and Widex are global manufacturers and suppliers of hearing aids and hearing accessories. The brands in Sivantos’s portfolio include Siemens, Signia and Rexton, while Widex supplies hearing aids under the Widex brand name.
4. In Singapore, Sivantos and Widex overlap in the supply of traditional hearing aids², and in the provision of complementary accessories (i.e. hearing aid batteries, remote controls, wax guards, and remote microphones/transmitters), fitting software and smartphone applications, and associated after-sales support, such as warranty support and servicing.

¹ Section 54 of the Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

² Traditional hearing aids include:

- a) Behind-the-ear (“**BTE**”) hearing aids;
- b) Super-power BTE hearing aids;
- c) Receiver-in-the-canal hearing aids;
- d) In-the-ear hearing aids;
- e) In-the-canal hearing aids;
- f) Completely-in-canal hearing aids; and
- g) Invisible-in-the-canal hearing aids.

CCCS's Assessment

5. CCCS considered the competition in the market for the supply of traditional and body-worn hearing aids (including accessories and services that are intrinsically linked to the supply of hearing aids) in Singapore as the relevant market for the purpose of the competition assessment (the "**Relevant Market**").
6. After evaluating the Parties' submissions and third-party as well as public feedback and evidence, CCCS concluded that the Proposed Transaction, if carried into effect, will not lead to a substantial lessening of competition within the Relevant Market.
7. In particular, CCCS found that:
 - a. Competing suppliers including Sonova AG ("**Sonova**") and William Demant Holding A/S ("**William Demant**") have a significant presence in Singapore and recent market entrants, especially GN Hearing A/S ("**GN**"), were able to gain significant market shares quickly.
 - b. Sivantos and Widex are not each other's closest competitor. Sonova and William Demant appear to be closer competitors to Sivantos than Widex. There are also differences in perceptions of branding and innovation and in pricing between the traditional hearing aid products of Sivantos and Widex.
 - c. Third-party feedback suggests that there are sufficient alternative suppliers of traditional hearing aids such that the Proposed Transaction does not result in there being greater difficulty in switching suppliers.
 - d. The barriers to entry and expansion for an existing supplier of traditional hearing aids in other geographical markets are likely to be lower compared to that for a new supplier. For a new supplier of traditional hearing aids, the barriers to entry and/or expansion are not insurmountable, as evident from recent new entrants (i.e. GN and Starkey Hearing Technologies) into Singapore.
8. Further information on the application and CCCS's Grounds of Decision will be made available in due course on CCCS's Public Register at 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 anticompetitive 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) 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.

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