



## **MEDIA RELEASE**

**6 February 2015**

### **CCS CLEARS PROPOSED ACQUISITION BY DAIFUKU CO. LTD. OF 80% OF THE SHARES OF BCS GROUP LIMITED**

1. The Competition Commission of Singapore (“CCS”) has cleared a proposed acquisition by Daifuku Co. Ltd. (“Daifuku”) of 80% of the shares of BCS Group Limited (“BCS”) and determined that the proposed acquisition is unlikely to lead to a substantial lessening of competition. The assessment took into consideration submissions made by Daifuku and BCS as well as third-party views and feedback during CCS’s public consultation exercise.
2. The proposed acquisition was notified to CCS on 12 December 2014. Daifuku, together with its subsidiaries, design, manufacture, install, supply, operate and maintain a range of automated material handling systems<sup>1</sup> (“AMHS”) across a range of industries globally. BCS and its subsidiaries design, build, operate and maintain AMHS, predominantly in the areas of baggage handling systems (“BHS”) for airports, and courier sortation systems (“CSS”) for logistics companies in Asia, the Middle East, Africa, Europe, North America and Mexico.
3. In its assessment, CCS found that the Parties face keen competition from existing and potential AMHS suppliers as the barriers to entry in the Singapore market are low. Further, the Parties face relatively strong bargaining power from customers. Consequently, CCS found that the proposed acquisition is unlikely to lead to a substantial lessening of competition with regard to the supply of AHMS to businesses in the BHS and CSS sectors in Singapore.
4. More information on the clearance decision for the proposed acquisition can be found under “Public Register – Mergers & Acquisitions” on the CCS website (<https://www.ccs.gov.sg/public-register-and-consultation/public-register/mergers-and-acquisitions>).

---

<sup>1</sup> An AMHS is an integrated automated system involving activities such as the handling, controlling and storing of materials. The main function of an AMHS is to ensure that the right amount of material is accurately, quickly and safely delivered to a specified destination at the right time. AMHS are commonly deployed as a part of a manufacturing or assembly activity.

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

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.

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 on competition of the merger 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.

## **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.

For more information, please visit [www.ccs.gov.sg](http://www.ccs.gov.sg)

For media clarifications, please contact:

Ms. Lim Le-Anne  
Senior Assistant Director  
Strategic Planning Division  
Competition Commission of Singapore  
Email: [lim\\_le-anne@ccs.gov.sg](mailto:lim_le-anne@ccs.gov.sg)  
DID: 6325 8304

Ms. Grace Suen  
Assistant Director  
Strategic Planning Division  
Competition Commission of Singapore  
Email: [grace\\_suen@ccs.gov.sg](mailto:grace_suen@ccs.gov.sg)  
DID: 6325 8216