

MEDIA RELEASE

31 January 2013

CCS ISSUES CLEARANCE DECISIONS ON 3 PROPOSED ACQUISITIONS

1. The Competition Commission of Singapore (CCS) has concluded that 3 proposed acquisitions will not infringe Section 54 of the Competition Act (the Act), after taking into consideration the views and feedback received, including those which arose from its public consultation exercise.
2. The 3 proposed acquisitions were:

(i) Proposed acquisition of Chemoil Storage Limited by Oiltanking GmbH

This proposed acquisition was notified to CCS on 7 November 2012. CCS has considered the relevant market affected by the merger to be the provision of fuel oil storage in Singapore. CCS has found the proposed acquisition was unlikely to give rise to substantial competition concerns. In coming to that decision, CCS has considered that, amongst others, the existence of strong competitors, low incremental market share of merged entity, use of negotiated contracts with customers as well as product differentiation among competitors. CCS gave its clearance decision on 14 December 2012.

(ii) Proposed acquisition of Orthe Pte Ltd by Asia Renal Care (SEA) Pte Ltd

This proposed acquisition was notified to CCS on 16 November 2012. In its assessment, CCS found the relevant market affected by the proposed acquisition to be the provision of haemodialysis (“HD” or what is more commonly known as blood dialysis) treatment services to non-subsidised patients in Singapore. The providers of such services comprise dialysis centres operated by restructured hospitals and private sector service providers in Singapore, including joint ventures between restructured hospitals and private operators. Although the merged entity’s market share would significantly exceed 40%, CCS found that that the proposed acquisition would not give rise to significant adverse impact on competition, having considered



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that, amongst others, the barriers to entry and expansion are not high, that there is limited differentiation of treatment services across providers, patients can switch

dialysis centres, and the locations of competing dialysis centres. CCS gave its clearance decision on 26 December 2012.

(iii) Proposed acquisition of Elpida Memory, Inc by Micron Technology, Inc

This proposed acquisition was notified to CCS on 30 November 2012. In assessing the competition impact arising from the proposed acquisition, CCS has considered the relevant market to be the worldwide DRAM market. CCS noted that entry barriers for the market could be high due to high capital investment costs as well as considerable lead time required for new entrants. However, CCS has concluded that the proposed acquisition would unlikely raise substantial competition concerns having considered factors such as the industry was facing a downturn and there was excess capacity in the market, significant buyer power, presence of multiple alternative suppliers, differentiated services as well as individually-negotiated contract terms. CCS issued its clearance decision on 30 January 2013.

3. More information on the Clearance Decisions for these proposed acquisitions can be found under “Public Register – Mergers & Acquisitions” on the CCS website (<http://www.ccs.gov.sg/content/ccs/en/Public-Register-and-Consultation/Public-Register/Mergers-and-Acquisitions.html>)

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

4. 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.
5. 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



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- 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
6. 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.
 7. 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.
 8. For more information about the merger regime, please refer to http://www.ccs.gov.sg/content/ccs/en/Anti-Competitive-Behaviour/mergers/where_can_i_findmoreinformation.html



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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.