



## MEDIA RELEASE

8 February 2019

### **CCCS Clears Proposed Acquisition by Gebr. Knauf KG of USG Corporation**

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has today cleared the proposed acquisition by Gebr. Knauf KG (“**Knauf**”) of USG Corporation (“**USG**”) (collectively the “**Parties**”) (the “**Proposed Acquisition**”). Following its review, CCCS has concluded that the Proposed Acquisition, if carried into effect, will not infringe the section 54 prohibition of the Competition Act (Cap. 50B) (the “**Act**”)¹.

#### **Background**

2. CCCS received a joint notification from the Parties on 28 August 2018 for a decision on whether the Proposed Acquisition, if carried into effect, will infringe section 54 of the Act.

3. In Singapore, the Parties mainly overlap in the supply of gypsum boards (also known as plasterboards) and modular suspended ceilings (“**Overlapping Products**”).² The Overlapping Products are supplied by manufacturers to distributors and end-customers (e.g. installers) in Singapore.

#### **Assessment**

4. CCCS considered that the relevant markets for its assessment of the Proposed Acquisition were: (a) the supply of gypsum boards in Singapore; and (b) the global supply of modular suspended ceilings using mineral fibre tiles to Singapore.³

5. After consulting stakeholders⁴ and evaluating all relevant information, CCCS has concluded that the Proposed Acquisition, if carried into effect, will not lead to a substantial lessening of competition within the relevant markets in Singapore.

---

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 The Parties also overlap in the supply of metal profiles and insulation products, though the incremental market share, i.e. the market share of one of the Parties, is small or insignificant.

³ The Parties also overlap in the supply of modular suspended ceilings using tiles of other materials such as gypsum and metal tiles, but the overlap is very small.

⁴ CCCS conducted a public consultation from 28 August 2018 to 11 September 2018 to invite feedback on the Proposed Acquisition.

6. With respect to gypsum boards, CCCS found that:
- (a) the degree of competition between the Parties is not high, as the increase in market share arising from the merger is low and the Parties are not each other's closest competitor; and
  - (b) the merged entity will continue to face significant competition from its closest competitor, which supplies viable substitutes that customers of the Parties are able to switch to, and which has the spare capacity to increase supply in a short time.
7. With respect to modular suspended ceilings using mineral fibre tiles, CCCS found that the merged entity will continue to face competitive constraint from other suppliers in Singapore and overseas. In particular:
- (a) existing suppliers to Singapore are viable competitors to the Parties and have spare capacity to increase supply in a short time;
  - (b) end-customers of the Parties are able and willing to switch to competing suppliers;
  - (c) the merged entity faces potential competition from established suppliers overseas currently not supplying to Singapore;
  - (d) there are projects for which modular suspended ceilings using tiles of other materials (e.g. metal and gypsum) are substitutes to those using mineral fibre tiles, and the merged entity will face competition from other suppliers of these substitutes who are strong players.
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](http://www.cccs.gov.sg).

- End -

## **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).

### **For media clarifications, please contact:**

Ms. Grace Suen  
Senior Assistant Director  
Communications  
Competition and Consumer Commission of Singapore  
Email: [grace\\_suen@cccs.gov.sg](mailto:grace_suen@cccs.gov.sg)  
DID: 6325 8216

Ms. Nawwar Syahirah  
Senior Assistant Director  
Communications  
Competition and Consumer Commission of Singapore  
Email: [nawwar\\_syahirah@cccs.gov.sg](mailto:nawwar_syahirah@cccs.gov.sg)  
DID: 6325 8313

Ms. Shamsiah Jemain  
Senior Executive  
Communications  
Competition and Consumer Commission of Singapore  
Email: [shamsiah\\_jemain@cccs.gov.sg](mailto:shamsiah_jemain@cccs.gov.sg)  
DID: 6325 8206