



MEDIA RELEASE

28 August 2018

CCCS CONSULTS ON THE PROPOSED ACQUISITION BY GEBR. KNAUF KG OF USG CORPORATION

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is conducting a public consultation from 28 August 2018 to 11 September 2018 to invite feedback on the proposed acquisition by Gebr. Knauf KG (“**Knauf**”) of USG Corporation (“**USG**”) (collectively the “**Parties**”) (the “**Proposed Acquisition**”).
2. CCCS received the joint notification from the Parties on 28 August 2018 for a decision on whether the Proposed Acquisition would infringe section 54 of the Competition Act (Cap. 50B) (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.

The Parties

3. Knauf is headquartered in Germany and operates in Singapore via Knauf Singapore Pte. Ltd. and Knauf Insulation Pte. Ltd. It supplies gypsum boards (also known as plasterboards), metal profiles, modular and fixed suspended ceilings, and a minimal range of insulation products in Singapore.
4. USG is headquartered in the United States and operates in Singapore through USG Boral Building Products. It supplies gypsum boards, compounds, insulation products, substrates, metal profiles, cement boards and modular suspended ceilings in Singapore.

The Proposed Acquisition

5. The Proposed Acquisition will result in Knauf acquiring sole control of USG and all of its business.
6. The Parties consider that they overlap in the supply of gypsum boards, modular suspended ceilings and metal profiles in Singapore, and that the relevant markets are (i) the supply of at least gypsum boards in Singapore; (ii) the supply of at least modular suspended ceilings in Singapore; and (iii) the supply of at least metal profiles in Singapore.

7. The Parties submitted that the Proposed Acquisition will not result in non-coordinated or coordinated effects in view of:
 - a. the intense nature of competition and the myriad of existing competitors supplying the overlapping products;
 - b. the absence of significant barriers to entry and expansion given that the overlapping products are imported and some end customers can and do directly source from suppliers overseas or parallel import; and
 - c. the ability of customers to switch easily between suppliers and the price-sensitivity of customers and end-customers.

Public Consultation

8. CCCS is inviting public feedback on the Proposed Acquisition.
9. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Register and Consultation](#)". The closing date for submissions is on or before **11 September 2018**. If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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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

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