



MEDIA RELEASE

14 November 2017

CCS INITIATES IN DEPTH REVIEW OF PROPOSED MERGER BETWEEN MARITIME PRODUCTS SUPPLIERS

Background

1. CCS received a notification for decision on 10 August 2017 on whether the proposed acquisition by Wilhelmsen Maritime Services AS (“**WMS**”) of sole control over Drew Marine’s technical solutions, fire, safety and rescue businesses (“**Drew Marine Technical Solutions**” or “**DMTS**”)¹ (the “**Proposed Transaction**”) would infringe the prohibition in the Competition Act (Cap. 50B) against anticompetitive mergers.² WMS and DMTS overlap in the supply of marine chemicals (cleaning chemicals, water treatment chemicals and fuel oil treatment chemicals), marine gases (welding gases and refrigerant gases) and marine welding equipment.³

Initiation of in depth Phase 2 review

2. Phase 1 review of the Proposed Transaction was completed on 29 September 2017. At the end of the Phase 1 review, based on information furnished by WMS and DMTS (collectively, the “**Parties**”), and third-party feedback from customers and other suppliers, CCS was unable to clear the merger as it had competition concerns. In particular, CCS found that the Parties are two of the largest players that possess extensive global networks of end-to-end distribution and offer ancillary services for the provision of chemicals, gases and equipment to the marine sector, and they appear to be each other’s closest competitors. Other suppliers may face difficulty achieving sufficient geographic scale to be viable alternative sources of supply and to exert sufficient competitive pressure on the merged entity post-merger, especially for customers that procure on a global basis. The Proposed Transaction may therefore substantially lessen competition in the supply of these products in Singapore, and therefore requires a more in depth Phase 2 review.⁴

3. WMS has filed the relevant documents on 27 October 2017, and the Proposed Transaction has now proceeded to a Phase 2 review. CCS has to undertake a more detailed and extensive examination of the effects of the merger within 120 working days.

¹ Drew Marine refers to Drew Marine Group Coöperatief U.A. and Drew Marine Partners L.P. collectively.

² 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.

³ WMS supplies marine products and services primarily under the brands Unitor, Nalfleet and Timm. DMTS supplies marine products and services under the Drew Marine brand.

⁴ For more information on the Phase 1 review, please refer to CCS’s [media release](#) dated 9 October 2017 available at CCS’s website.

The Parties may offer commitments to address the potential competition concerns at any time during the Phase 2 review.⁵ By the end of the Phase 2 review, CCS will decide whether to issue a favourable or unfavourable decision.

Public Consultation

4. In relation to the Phase 2 review, CCS is inviting all feedback and views in relation to the Proposed Transaction.

5. More information on the Proposed Transaction can be accessed from the CCS website at www.ccs.gov.sg under the section "[Public Register and Consultation](#)". The closing date for submissions is **5 December 2017**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

⁵ Section 60A of the Act states that CCS may, at any time before making a decision as to whether the Section 54 prohibition has been or will be infringed, accept commitments that remedy, mitigate or prevent the substantial lessening of competition or any adverse effect arising from the merger situation. Where CCS has accepted a commitment, CCS will make a favourable decision. Further details can be found in the *CCS Guidelines on Merger Procedures 2012*.

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.

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