



Determination No. M/04/072 of the Competition Authority, 4th January 2005, under Section 21 of the Competition Act, 2002.

Notification No. M/04/064– GE/Edwards Systems

Introduction

1. On the 7th of December 2004 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby General Electric Company (“GE”) would acquire Edwards Systems Technology Inc (“EST”).

The Parties

2. GE is a diversified industrial corporation involved in fields such as aircraft engines, appliances, power systems, lighting, industrial systems, medical systems, plastics, specialist materials, broadcasting, financial services and transportation systems.
3. GE is also active in the business of fire protection in the State. They supply fire detection and alarm systems using both conventional and analogue technology, detectors, manual call points and accessories (e.g. door holders, batteries, speakers and bells).¹
4. EST is a US based company, wholly owned and controlled by SPX Corporation, Inc. (“SPX”). SPX is a multi-industry global provider of technical products and systems, industrial products and services, flow technology, cooling technologies and services, and service solutions.
5. EST primarily designs, manufactures and distributes fire detection, alarm and building security products for the non-residential sector. EST also provides some services in relation to its products, although these are limited to in-house repairs of its own products. EST provides some installation and on-site repair services in the US and Canada.
6. EST’s fire detection and alarm offering includes in particular, integrated systems, detectors and alarm systems using both conventional and analogue technology, control panels, and accessories (e.g. door holders, bells and batteries).

¹ Conventional fire detection and alarm technology offers fewer and more basic features and is generally used in smaller installations. In contrast, analogue systems tend to be used in larger facilities. Analogue systems are able to provide more detailed information e.g. the degree of smokiness, and the degree of risk or danger posed.



Analysis

7. The relevant product market is the fire protection sector, and includes fire detection and alarm systems, as well as components and accessories for these systems. The parties' activities in this market overlap in the State.
8. For the year ended 2003 the sales of fire detection and alarm systems in the State was approximately €21 million. GE generated sales of fire detection and alarm systems in the State of €[...] ([less than 5 %] of the total market). EST generated turnover in the State of €[...] ([less than 10%] of the total market). Thus while the parties activities overlap there will be a minimal increase in the concentration of the fire protection sector in the State.
9. Furthermore, there are a number of significant competitors in the fire protection sector in the State. Market share estimates of the parties' competitors in the state are laid out below.

Competitors	Market Share (%)
Siemens	19 %
Apex	19 %
Chubb Ireland	17 %
Custom Electronics	14 %
Menvier	9 %

10. While the parties' activities overlap, given that concentration would increase only minimally and there are a sufficient number of large competitors, the acquisition would not result in the creation of market power. This result holds true regardless of the exact market definition in the fire protection sector. Therefore, the proposed transaction will not give rise to a substantial lessening of competition in the fire protection sector in the State.



The Competition Authority
An tÚdarás Iomaíochta

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

4th January 2005