



M/05/ 077 Siemens/ Electrium

Determination of the Competition Authority dated 21 December 2005

Proposed Acquisition by Siemens Aktiengesellschaft of Electrium Limited

Introduction

1. On 2 December 2005, the Competition Authority ("the Authority"), in accordance with Section 18(1) of the Competition Act, 2002 ("the Act") was notified, on a mandatory basis, of a proposal whereby Siemens Aktiengesellschaft ("Siemens") would acquire the entire issued share capital of Electrium Limited ("Electrium").

The Parties

2. Siemens, the acquirer, is a publicly listed¹, electrical engineering and electronics company based in Germany. Its operations are structured into seven key areas: (a) information and communication; (b) automation and control; (c) power; (d) transportation; (e) medical; (f) lighting; (g) financial and real estate. All of Siemens' activities in relation to each of the seven key areas listed above are carried on in the State.
3. Siemens predominantly manufactures and sells wiring accessories outside the United Kingdom and Ireland according to the IEC (International Electrotechnical Commission) standard.
4. In the year ended 30 September 2005, Siemens' world-wide turnover was €75 billion of which less than €500 million was achieved in the State.
5. Electrium, the target, is a United Kingdom based company which is active in the fields of wiring accessories and circuit protection products for low-voltage electrical installation. These activities are carried on in the State.
6. Electrium manufactures and sells wiring accessories according to the British Standard, BS.
7. In the year ended 30 September 2005, Electrium's world-wide turnover was Stg£74.5 million (c.€110 million), of which less than €5 million was achieved in the State.
8. Approximately 90-100% of Electrium's turnover in the State is generated from its electrical wiring accessories activities.

¹ Siemens is listed on the following exchanges: Berlin/Bremen, Düsseldorf, Frankfurt, Hamburg, Hanover, London Stock Exchange, New York Stock Exchange and Swiss Stock Exchange.



The Transaction

9. The transaction will enable Siemens to enter the market for electric installation products, in particular, for electrical wiring accessories manufactured under the British Standard.

Competitive Analysis

10. The Parties activities, generally, overlap horizontally in several areas: (a) electrical wiring accessories; and (b) final panel boards and/or components.

Electrical wiring accessories

11. As stated in para. 8 above, Electrium's activities in the State are predominantly concerned with electrical wiring accessories.
12. Siemens, however, is not active in the provision of electrical wiring accessories in the State.
13. As there is no overlap in the Parties' activities in respect of electrical wiring activities in the State, the Authority has concluded that no competition concerns arise.

Final Panelboard and/or components

14. Electrium and Siemens' activities overlap in the State, but only to a limited degree, in respect of the manufacturer and sale of final panelboards and/or components. That final panel boards and components form separate relevant product markets was established in the European Commission's decision in Schneider/Legrande².
15. From their respective activities in final panelboards and components (stage 3)³, Siemens derived less than €1 million in the fiscal year 2003/4 (of which less than €200,000 represents final panel boards) while Electrium's turnover in 2004 for final panel boards and components was €200,000 (of which less than €150,000 represents final panel boards).
16. Post-merger, the Parties collectively will account for less than 10% of the market on the basis of their respective turnover figures from their activities in final panel boards as a percentage of the whole of that market in the State,
17. Furthermore the Authority notes that several companies which operate globally, are active competitors in the State to both Siemens and Electrium in respect of each of final panelboards and components. These include Schneider Electric, Hager Limited, General Electric, Eaton and Moeller Electric Ireland.

² Case No. COMP/M.2283 decision of October 10 2001, available from <http://www.europa.eu.int/comm/competition/mergers/cases>.

³ The Parties' respective turnover figures for final panel boards alone are set out in parenthesis following turnover figures for final panel boards and components.



18. Given the low post merger market share, the presence of a number of global competitors and the relatively unconcentrated nature of this market in the State the Authority has, therefore, concluded that the proposed transaction does not give rise to competition concerns and consequently will not lead not a substantial lessening of competition.



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 by Siemens Aktiengesellschaft of Electrium Limited 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 P. Henneberry
Member of the Competition Authority