

Consultations launched on proposed acquisition of Meggitt plc by Parker-Hannifin

Press release

Consultations on the proposed acquisition of Meggitt plc, a UK aerospace company, by Parker-Hannifin have been launched today.



Two separate consultations have been launched today (28 June 2022) related to the proposed acquisition of Meggitt plc, a UK aerospace company, by Parker-Hannifin.

The consultations are to address both the national security and competition concerns raised by the proposed deal.

Parker-Hannifin is a US-headquartered company which supplies components to the mobile, industrial and aerospace markets globally, including in the UK. It is listed on the New York Stock Exchange.

The Business Secretary is minded to accept undertakings offered by Parker-Hannifin to address the concerns.

This decision follows advice from the Ministry of Defence and the Competition and Markets Authority.

The proposed undertakings are now out for public consultation until 11:45pm on 13 July 2022, in accordance with the process set out in the Enterprise Act 2002.

No decision will be taken by the Business Secretary until the consultation has concluded and the representations have been carefully considered.

The [full text of the proposed national security undertakings](#) can be found on GOV.UK. In summary they would deliver:

- Security of Supply: ensuring that Parker will commit to honouring

existing contracts while they are in place and will notify the MOD in advance if there is a material change to Meggitt's ability to supply the MOD

- Information Security: reinforcing the commitment to existing List X / Facility Security Clearance site security arrangements protecting sensitive HM government information in Meggitt, including a requirement to retain a majority of the Board of Directors of Meggitt as UK nationals resident in the UK
- Sovereign UK Capabilities: requiring Parker-Hannifin to institute an HM government-approved control plan to prevent International Traffic in Arms Regulations (ITAR) controls applying to ITAR-free products designed and manufactured by Meggitt. The undertakings would allow the MOD to add new technology to future-proof the remedy

The [full text of the proposed competition undertakings](#) can be found on GOV.UK. In summary they would deliver the divestment of Parker's aircraft wheels and brakes ('AWB') division (the 'Divestment Business') to a purchaser approved by the Secretary of State. The Divestment Business includes:

- all tangible assets (including the production site of the AWB division located at Avon, Ohio, USA, as well as the relevant inventory and equipment) and intangible assets (including intellectual property rights)
- all licences, permits, authorisations issued by any governmental organisation for the benefit of the Divestment Business
- all contracts, leases, commitments, and customer orders of the Divestment Business
- all customers credit and other records of the Divestment Business
- all staff currently employed by the Divestment Business, including staff seconded to the Divestment Business, shared personnel as well as certain additional personnel

These decisions on the national security and competition considerations are separate to any discussions on the wider economic implications of the proposed merger.

The Business Secretary's decisions are made in a quasi-judicial capacity, which means that the Secretary of State must act, and be seen to act, in a scrupulously fair and impartial manner.

Published 28 June 2022