

Helicopter services deal raises competition concerns

Press release

The CMA has provisionally found that CHC's purchase of Babcock's oil and gas offshore helicopter transportation services business raises competition concerns.



Following an in-depth Phase 2 investigation of this completed acquisition, the Competition and Markets Authority (CMA) has provisionally found that the merger would lead to a significant loss of competition in the market.

CHC and the acquired businesses both provide offshore transportation in the oil and gas sector, including taking workers to and from rigs in the North Sea.

The CMA's investigation analysed a wide range of evidence, including data on bidding for previous contracts and hundreds of internal documents that show how the merging businesses assess competition in the sector. The CMA has also engaged with customers, competitors and other industry players to inform its provisional findings.

The evidence gathered by the CMA shows that the UK arm of the acquired businesses remains an effective competitor, and the loss of this competition would significantly reduce rivalry between an already limited number of suppliers. The merger would reduce the number of suppliers from 4 to 3 and the CMA does not believe that new players are likely to enter the market.

Kip Meek, Chair of the CMA inquiry group, said:

We're concerned that this merger will reduce competition in a market which currently only has 4 competitors and that is vital to the smooth running of the North Sea oil and gas industry.

Our findings are provisional at this stage, and we welcome further responses from CHC and Babcock, as well as from other interested

parties.

The CMA welcomes responses from interested parties to its provisional findings by 7 April 2022 and its notice of possible remedies, which sets out potential options for addressing its provisional concerns, by 31 March 2022. These will be considered ahead of the CMA issuing its final decision, which is due by 15 May 2022.

For more information, visit [the CHC / Babcock merger inquiry page](#).

1. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.
2. CHC Group LLC (CHC) purchased the entire issued share capital of Offshore Helicopter Services UK Limited (Babcock Offshore UK), Offshore Services Australasia Pty Ltd (Babcock Offshore Australia) and Offshore Helicopter Services Denmark A/S (Babcock Offshore Denmark).
3. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a reference to Phase 2 if the CMA believes that it is or may be the case that a relevant merger situation has been created, or arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition with any markets or markets in the United Kingdom for goods or services.

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