

Helicopter services deal raises competition concerns

Press release

The CMA has found that CHC's completed purchase of Babcock's oil and gas offshore helicopter business raises competition concerns in the UK.



CHC and Babcock's oil and gas offshore helicopter business (the Babcock Business) both provide offshore transportation in the oil and gas sector, taking workers to and from rigs in the North Sea.

The Competition and Markets Authority (CMA) identified competition concerns relating to the deal that, unless addressed, will mean that the merger will be subject to an in-depth Phase 2 investigation.

CHC and the Babcock Business are two of four suppliers in this field and compete against each other regularly to win contracts. The CMA is concerned that the loss of one of these four suppliers could lead to higher prices and lower quality services for customers.

Colin Raftery, CMA Senior Director, said:

Our investigation showed that CHC's purchase of the Babcock Business would take out an important competitor. While oil and gas exploration in the North Sea is expected to decline over time, these are safety-critical services on which customers continue to spend hundreds of millions of pounds a year. It is therefore important that this deal is subject to more detailed scrutiny if our concerns aren't addressed.

CHC must now submit proposals to address the CMA's concerns within 5 working days. If suitable proposals are not submitted, the deal will be referred for an in-depth Phase 2 investigation.

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

Notes to editors:

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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