

Mergers: Commission clears acquisition of General Electric Industrial Solutions by ABB

ABB Asea Brown Boveri Ltd (“ABB”) and General Electric Industrial Solutions (“GEIS”) are active worldwide in the manufacture and sale of electrical components and systems.

The Commission carried out a broad investigation on a large number of markets and concluded that:

- Both ABB and GEIS are active in the design, manufacture and sale of low voltage and medium voltage products for industrial, commercial and residential applications, as well as of secured power protection systems and transformers. However, **their respective geographic areas of activity are complementary**, with ABB being stronger in Europe and GEIS in the US.
- On overlapping markets in the European Economic Area (EEA), the Commission found that the transaction raises no significant concerns because: i) the combination of ABB’s and GEIS’ portfolios does not significantly increase concentration in a number of product categories; ii) **the merged entity will continue facing effective competition from a number of large-scale rivals and specialised or local suppliers**; iii) products in these markets are generally homogeneous and therefore interchangeable between competing brands. Customers also broadly confirmed that sufficient alternative sources of supply will remain in the EEA after the transaction.
- On markets where the merging companies are active at different levels of the supply chain, the Commission found that **they would not have the ability to foreclose competitors**, notably because alternative suppliers will continue to operate in the market.

The Commission therefore concluded that the proposed transaction would raise no competition concerns in any of the markets concerned.

Companies and products

ABB, based in Switzerland, is active in power and automation technologies and serves customers in utilities, industry, transport and infrastructure globally through four divisions: (i) Electrification Products, the relevant division in the present case; (ii) Robotics and Motion; (iii) Industrial Automation; and (iv) Power Grids.

GEIS is a division of the General Electric Company of the US, and is active in the design, manufacture and sale of low and medium-voltage electrical products and solutions for industrial, commercial and residential applications. GEIS is divided in four business units: (i) Engineered Solutions; (ii) Product Solutions; (iii) Configured Solutions; and (iv) Embedded Solutions.

Merger control rules and procedures

The transaction was notified to the Commission on 20 April 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the [competition](#) website, in the Commission's [public case register](#) under the case number [M.8678](#).