

[News story: Electro Rent / Microlease merger inquiry finds competition concerns](#)

Electro Rent and Microlease rent, lease and sell equipment used to test and measure the performance of a wide range of electronic devices, used in industries such as telecommunications, aerospace and defence, utilities and information technology.

The Competition and Markets Authority's (CMA) initial [investigation](#) has found that the companies are each other's closest competitor in the rental of such equipment, in particular because of the value, scope and depth of their rental stock.

The CMA found that, while the combined entity may still face some constraint from the sale of testing and measurement equipment, customers are concerned about the merger and are generally unable to identify credible rental alternatives. The CMA is therefore concerned the merger could substantially lessen competition in respect of rental options for customers.

The merger will now be referred for an in-depth phase 2 investigation by an independent group of CMA panel members – unless Electro Rent is able to offer undertakings which sufficiently address the CMA's competition concerns.

Electro Rent has until 21 June 2017 to offer proposals to resolve the competition concerns. If it does not offer undertakings, or if the CMA is unable to accept the undertakings offered, the merger will be referred for an in-depth phase 2 investigation.