

Offshore accommodation merger abandoned

The Competition and Markets Authority (CMA) has therefore today confirmed that it will be cancelling its Phase 2 merger investigation into the deal.

Both companies supply semi-submersible offshore accommodation support vessels (semi-submersible ASVs) to oil and gas companies. These are used to provide accommodation space for employees working offshore and are a key facility for some types of work in the UK Continental Shelf and the Norwegian Continental Shelf; for example, where the water is deep or where weather conditions are harsh and other types of vessel are not suitable.

The CMA launched a Phase 2 inquiry in September 2019 after initial competition concerns led to the proposed merger being referred to a group of independent CMA panel members for an in-depth investigation.

The CMA provisionally found in January 2020 that the merger may result in a substantial lessening of competition and customers may face higher prices, and/or lower quality when tendering for semi-submersible ASVs. The CMA had proposed that blocking the merger would be the only way of addressing these concerns.

This was one of several global mergers being investigated by the CMA. It worked with the Norwegian Competition Authority (NCA) on this case as it carried out a separate review into the deal. The NCA's decision to block the merger was being appealed to the Norwegian Competition Tribunal. As the CMA prepares to take on more global mergers alongside other regulators, this kind of global co-operation will become increasingly important.

Prosafe and Floatel have now decided not to continue with the deal. For more information, visit the [Prosafe SE / Floatel International Limited merger inquiry web page](#)