

Offshore accommodation merger raises competition concerns

The Competition and Markets Authority (CMA) has been investigating the proposed deal between Prosafe SE (Prosafe) and Floatel International Limited (Floatel). Both companies supply semi-submersible offshore accommodation support vessels (ASVs) – or ‘flotels’ – to oil and gas companies. These are used to provide accommodation, storage and working space for employees working offshore.

After completing its initial Phase 1 investigation, the CMA is concerned that the deal could reduce competition in the supply of ASVs for oil and gas projects on the UK continental shelf.

The CMA’s investigation has found that Prosafe and Floatel are the 2 largest suppliers in the market, owning the vast majority of semi-submersible offshore accommodation in North West Europe. They compete closely with each other and have consistently won the most contracts over time. Aside from the merging businesses, there are limited alternatives available to customers at present.

The CMA is therefore concerned that because of the deal, Prosafe and Floatel’s customers would face higher prices or lower quality offers when tendering for ASVs due to insufficient competition.

If the merging businesses are unable to address the CMA’s concerns, the deal will be referred for an in-depth Phase 2 investigation, to be carried out by a group of independent CMA panel members.

For more information, [visit the Prosafe SE/ Floatel International Limited merger case page.](#)