



Determination No. M/04/054 of the Competition Authority, dated 21 October 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/054 – the proposed acquisition by United Technologies Corporation of Haskel International, Inc.

Introduction

1. On 21 September 2004 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby United Technologies Corporation (“UTC”), acting through its subsidiary Hamilton Sunstrand Corporation (“HSC”), would acquire control of Haskel International, Inc. (“Haskel”). The notified transaction is hereinafter described as the “proposed acquisition”.
2. The proposed acquisition is international and has been notified to the competition authorities in Brazil and the United States. The parties’ stated intent, on the date of notification, was to also notify the competition authorities of Austria, China, Germany, Italy and Norway.

The Parties

3. UTC, the acquiring company, is headquartered in the United States. With its subsidiaries, UTC has global presence in the manufacture and service industries of diverse ranges of high technology products, including aerospace products and services; aircraft and aircraft parts and services; elevators and escalators; heating, ventilation and air conditioning systems; power generation products and systems; security products, systems and services; and industrial pumps and valves.
4. Haskel, the target, is a private company that develops, manufactures and supplies industrial pumps, valves and related component parts worldwide. Haskel’s products are used in a diverse range of industrial sectors, including oil and gas, defence, aerospace, automotive, plastics, chemicals, power generation and semiconductor.

Analysis

5. Haskel has no subsidiaries or physical presence in the State. Its products are sold directly into the State from overseas, or sold in the State by an independent third-party distributor. Haskel’s turnover in the State in its most recent financial year was approximately €[less than €500,000].



6. HSC, the subsidiary of UTC that will directly acquire the target, is also a manufacturer of various types of industrial pumps (through a subsidiary company, Milton Roy Company). However, the parties' respective ranges of pumps supplied in the State are mainly complementary. The only product overlap is for "metering pumps", which are based on reciprocating diaphragm designs. UTC and Haskel estimate that they hold [10 - 20]% and [0-5]% shares of the EEA-wide metering pump sector, respectively. Further, Haskel does not sell any metering pumps in the State.
7. Overlap between the parties' activities in the State, if any, is minimal. Also, there are a number of other large international suppliers of substitutable products. The absence of significant overlap in the parties' activities indicates that the proposed acquisition would not substantially lessen competition in any market for goods or services in the State.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by United Technologies Corporation of Haskel International, Inc. will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

21 October 2004