

Determination No. M/04/080 of the Competition Authority, dated Friday 21st January, under Section 21 of the Competition Act, 2002

Notification No. M/04/080 – Proposed acquisition by General Electric Company of Ionics Incorporated.

Introduction

1. On 23rd December 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 General Electric Company (“GE”) would acquire Ionics Incorporated (“Ionics”).

The Parties

2. GE is a global, diversified technology and services company incorporated in the US. It is active in many sectors including aircraft engines, consumer products and medical systems. Through its subsidiary GE Water Technologies Inc., GE manufactures and supplies equipment for industrial water purification, replacement parts for water treatment and/or purification processes and chemical products for treating water for industrial or commercial purposes. GE’s activities in Ireland in the water process business are limited to deionisation, for which its revenues were c. €[less than 2 million] in 2003.
3. Ionics is incorporated in the US and is engaged in the supply of water purification and wastewater treatment equipment and services. In Ireland Ionics’ activities are limited to (i) the provision of water deionisation products and related services, and (ii) the sale of instruments and related products for the analysis of impurities in water. Its revenues from its deionisation activities in Ireland in 2003 were €[less than 2 million].

Analysis

4. The parties’ activities overlap with respect to deionisation. The parties estimate that the total value of sales for deionisation in the State in 2003 was c. 18.6m. The overlap is minimal, since the parties’ combined revenue for this activity is less than €[less than 4 million] in the State. Therefore the transaction does not give rise to competition concerns.

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 General Electric Company of Ionics Incorporated 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