



Determination of the Competition Authority

Determination No. M/03/009 of the Competition Authority, dated 26th May 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/009 – Joint Venture between Koninklijke Philips Electronics NV and Accton Technology Corporation

Introduction

1. On 28th April 2003 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 Koninklijke Philips Electronics NV (“Philips”) and Accton Technology Corporation (“Accton”) would transfer their existing wireless technology businesses to a new joint venture company “Accton and Philips Wireless Networking” (“APWN”).

The Parties

2. Philips is a multinational electronics corporation active in lighting, consumer electronics, domestic appliances and personal care, semi-conductors, and medical systems.
3. Accton is a Taiwanese original design manufacturer of data communications and telecommunications equipment.

The Joint Venture

4. Four general categories of wireless technology products will be transferred by the parties to APWN: WLAN data networking products, which is the only product category where both Accton and Philips are contributing activities to APWN, WLAN Home Entertainment products, ADSL (broadband) and Bluetooth products. APWN will be established on an indefinite basis and will be jointly controlled by Philips and Accton.

Analysis

5. Market investigations have shown that wireless technology products are manufactured in the Far East and sold around the world. Philips is in the early stages of developing a portfolio of wireless products and it does not sell any WLAN products into Ireland. Accton manufactures a selection of wireless technology products and does not have a large presence in the State in this area: approximately 5%. Accordingly there is no overlap of the parties’ activities in Ireland in the wireless technology products which will be contributed to APWN. There exist a number of competitors which will continue to exercise a competitive restraint on APWN.



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Determination

6. 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 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

Terry Calvani
Member of the Competition Authority

26th May 2003