



Case Summary

28 January 2013

Bundeskartellamt clears acquisition of Safety Syringes Inc. by Becton Dickinson and Company

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| Sector: | Manufacture and distribution of needle safety devices and pre-filled glass syringes |
| Ref: | B3 - 113/12 |
| Date of Decision: | 21 December 2012 |

The Bundeskartellamt has cleared the acquisition of Safety Syringes Inc. (USA) by Becton Dickinson and Company (USA). After a thorough examination, the authority came to the conclusion that the relevant market for needle safety devices was a minor market within the meaning of Section 35 (2) of the German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen, GWB*). The acquisition also affects the market for pre-filled glass syringes, but will not lead to market share additions because the target company is not active on this market. In addition, it was not deemed likely that anti-competitive conglomerate effects would occur as a result of the merger.

The merger affected the market for needle safety devices used for pre-filled syringes with staked needles and the market for pre-filled glass syringes. The Bundeskartellamt considered it likely that the merger would lead to the creation or strengthening of a dominant position on the global market for needle guards. This view was supported by the superior position of the merged company with regard to industrial property rights and expertise, as well as economies of scale and scope. The relevant domestic turnover, however, was clearly below the threshold of 15 million Euros laid down in Section 35 (2) sentence 1 no. 2 GWB. Furthermore, the Bundeskartellamt's investigation revealed that domestic trade in the products concerned had existed for at least five years. The market for needle safety devices is therefore currently a minor market under the merger control provisions and consequently exempted from merger control.

Although Becton Dickinson and Company has very high market shares on the market for pre-filled syringes, there is no substantial likelihood that the acquisition of Safety Syringes Inc. will create or strengthen a dominant market position. The target company itself does not produce syringes, which is why the possibility of horizontal effects can be excluded from the outset. Anti-

competitive conglomerate effects are not to be expected either, because a bundling of pre-filled glass syringes and needle safety devices, which would foreclose the market for other competitors, has little prospect of success: Firstly, pre-filled glass syringes are mainly sold without a needle safety device. This trend will continue at least in the medium term. Secondly, buyers of the two products have so far not shown a distinct preference for bundled offers of pre-filled syringes and needle safety devices. Finally, on the demand side the big pharmaceutical companies possess substantial countervailing buyer power.