



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2014/01/150)

20.02.2014

Notice u/s 6 (2) of the Competition Act, 2002 given by General Electric Company

Order under Section 31(1) of the Competition Act, 2002

1. On 23rd January 2014, the Competition Commission of India (“**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) given by General Electric Company (hereinafter referred to as “**GE**” or “**Acquirer**”). The proposed combination relates to the acquisition of the entire share capital of GMC Consolidation LLC (hereinafter referred to as “**GMC**”) by GE from Thermo Fisher Scientific Inc. (hereinafter referred to as “**Thermo Fisher**”). The notice was filed pursuant to a purchase and sale agreement, dated 24th December 2013, as amended by an amendment agreement, dated 13th January 2014, entered into between GE, Thermo Fisher and GMC (hereinafter referred to as the “**Purchase Agreement**”).
2. As stated in the notice, the proposed combination envisages the inter-connected steps of transactions which would result in the acquisition by GE of the entire share capital of GMC, which at the time of acquisition will own three businesses of Thermo Fisher, i.e., cell culture sera and media products (hereinafter referred to as the “**Cell Culture Business**”), business and applications in the field of gene modulation including gene silencing technologies (hereinafter referred to as the “**Gene Silencing Business**”) and the business of magnetic particles under Sera-Mag and Sera-Mag Speedbeads brands (hereinafter referred to as the “**Magnetic Beads Business**”). Hereinafter, the Cell Culture Business, Gene Silencing Business and Magnetic Beads Business will be collectively referred to as the “**Divestment Business**”. As stated in the notice, the assets relating to the Divestment Business and shares of Thermo Fisher’s subsidiaries, engaged in the Divestment Business, will be directly or indirectly transferred to GMC and the assets and shares of the businesses other than the Divestment Business will be transferred to and retained, directly or indirectly, by Thermo Fisher.



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3. As stated in the notice, the proposed combination has been contemplated pursuant to certain conditions imposed in relation to the acquisition by Thermo Fisher of Life Technologies Corporation, (hereinafter referred to as “**Thermo Fisher-Life Transaction**”), by some of the jurisdictions through their decisions. One such commitment was pertaining to the divestiture by Thermo Fisher of its Cell Culture, Magnetic Beads and Gene Silencing Businesses. Further, as per the notice, GE has proposed to acquire GMC to expand its offering of technologies for the discovery and manufacturing of innovative new medicines, vaccines and diagnostics in its growing life sciences business. Currently GE, through its unit GE Healthcare, offers technologies, tools and services for the manufacture of biopharmaceuticals, vaccines and cell therapies, and for biomedical research.
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (hereinafter referred to as “**Combination Regulations**”), vide letter dated 30th January, 2014, the Acquirer was required to remove certain defects and provide information / document (s) latest by 6th February 2014. The Acquirer, through its authorised representatives, filed its response on 5th February 2014. Further, in terms of Regulation 16 of the Combination Regulations, on 4th February 2014, the Acquirer, through its authorised representatives filed an intimation of change informing that certain changes have been made to the Purchase Agreement vide an amendment agreement dated 24th January 2014. The Acquirer informed the Commission that the amendments did not in any way impact the overall structure of the proposed combination. The Commission noted the changes in its meeting held on 6th February, 2014.
5. The proposed combination falls under Section 5(a) of the Act.
6. GE, incorporated in USA, is a globally diversified manufacturing, technology and financial services company, comprising a number of business units. GE Healthcare is the dedicated health care unit of GE, which has a life sciences division i.e. GE Healthcare Life Sciences. GE Healthcare is active worldwide, including India, and



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after taking effect of the proposed combination, GMC will form part of GE Healthcare Life Sciences. GMC, incorporated in U.S.A., is a wholly owned subsidiary of Thermo Fisher and after consummation of the proposed combination, GMC will own and operate the Divestment Business. Thermo Fisher, also incorporated in U.S.A, is active in the production and supply of analytical instruments and laboratory consumables, like reagents, across almost the entire experimental sciences spectrum including life sciences.

7. The proposed combination relates to the market of cell culture (sera and media), magnetic beads and gene silencing products in India. It is observed from the details provided in the notice that neither GE nor GMC has any manufacturing facility for the cell culture (sera and media), magnetic beads and gene silencing products, in India. Further, whereas Thermo Fisher is active in the market of cell culture (sera and media), magnetic beads and gene silencing products in India, GE is active in India in the market of cell culture (sera and media) and magnetic beads only.
8. Cell culture is the process by which cells are grown under controlled conditions, generally outside the natural environment. Cell culture is one of the major tools used in the cellular and molecular biology and is also used in the development of biological compounds like vaccines and therapeutic proteins. Sera are blood-based animal by-products which provide nutrient, proteins, growth factors and other factors for the cell growth. A variety of sera can be used for the cell culture, including foetal bovine serum (“FBS”), calf serum, adult bovine serum, sera from other species and engineered sera products. As seen generally, FBS has been, by far, the most widely used sera product. However, considering the fact that the combined market share of the parties to the combination is minimal in India, the market for the sera in India has not been differentiated. Media is basically a group of chemicals like amino acids and salts which support and facilitate life. It is observed that in the market of cell culture (media) also, in India, the combined market share of the parties to the combination is insignificant.
9. Magnetic beads are particles of microbial dimensions which are mainly used for sample preparation and identifying the presence and quantity of a particular target



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substance in the sample. Magnetic Beads can be made of various substances like polymer, silica, glass, etc and of these, the polymer and silica based magnetic beads are mostly used in scientific research. The polymer-based magnetic beads are designed to have functional groups attached to their surface which are then coupled to a protein, such as an antibody, or an oligonucleotide, specifically designed to attract a given target substance. It is stated in the notice that the ability to couple a polymer-based magnetic bead with a range of proteins, which in turn, attracts different target substances, increases the effectiveness of polymer based magnetic beads so to make them useful for a wide range of applications. However, in the instant case, owing to the insignificant market share of the parties to the combination, the market for magnetic beads in India has not been differentiated.

10. Gene silencing products are used in research to inhibit expression of a particular type of gene with a view to understand its function. Gene silencing, a form of gene modulation, is the process by which the expression of a particular gene is inhibited. There is no horizontal overlap between the products of the parties to the combination in the market for gene silencing products in India, as presently, only Thermo Fisher is active in this market.
11. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
12. This approval is without prejudice to any other legal/statutory obligations as applicable.
13. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.



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14. The Secretary is directed to communicate to GE accordingly.

(Ashok Chawla)
Chairperson

(Anurag Goel)
Member

(M.L. Tayal)
Member

(S.L. Bunker)
Member