



INDEPENDENT CONSUMER AND
COMPETITION COMMISSION

1st Floor Garden City, Angau Drive,
P.O. Box 6394, **BOROKO**,
National Capital District
Papua New Guinea
Telephone: (675) 325 2144
Facsimile: (675) 323 0052
Toll Free No. 180 3333
Email: infor@iccc.gov.pg
Website: www.iccc.gov.pg

Office of the Commissioner/CEO

26 April 2011

Dear Industry Participant,

SUBJECT: G4S International Holdings Limited (G4S) Clearance Application to Acquire Assets in The Corps (PNG) Limited

We write to inform you that the ICCC has received a Clearance application pursuant to Section 81 of the *Independent Consumer and Competition Commission Act 2002 (the Act)*, from G4S. The Clearance application relates to the proposed acquisition of all shares of The Corps (PNG) Limited.

The ICCC is required under the *Act* to consider the merits of the proposed acquisition through an appropriate public process of review and consideration and make a determination within 20 days of receipt of the application on whether or not to grant a Clearance for the proposed acquisition to proceed.

As part of the wider public consultation process, the ICCC seeks views from all relevant stakeholders including industry players. In particular, the Commission would be interested to know your views and therefore wish to invite your Office to make a submission.

In view of the time constraint, we would greatly appreciate it if this could be provided no later than Monday 2nd of May, 2011.

Public copies of the G4S Clearance Application can be obtained by contacting Mr. Fidelis Golu, Executive Manager- Competitive Market and Fair Trade Division on 325 2144 or through email: fgolu@iccc.gov.pg.

As usual, the Commission looks forward to your prompt response and thank you in advance for your assistance.

Yours sincerely

Assoc. Prof. Billy Manoka, (PhD)

Commissioner/CEO



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Office of the Commissioner/CEO

09 May 2011

Dear Industry Participant,

SEEKING FURTHER INFORMATION ON THE G4S ACQUISITION OF THE CORPS

I am writing to you as a buyer of security services seeking specific information as detailed below, to enable the Commission make an informed decision.

As you may be aware, G4S Secure Solutions (PNG) Ltd wishes to acquire The Corps (PNG) Ltd; and the Commission is required to make a determination on whether or not to grant clearance. The Commission is also required to make a decision on this matter by the 20th May 2011.

The Commission has written to other stakeholders, including your firm to seek information to inform its decision. This information is sought pursuant to the Commission's powers under section 128 of the ICCA, a copy of which is attached. I would appreciate if you can provide your response to the Commission by or before the **15th of May 2011**. Our queries are:

- a) The Commission is interested to know whether the relevant market be considered broadly as the 'market for the supply of private security services' or should it be further segmented into the different submarkets and services provided by the merging parties?
- b) Would competition in the various submarkets below within the Security Industry be enhanced, stifled or completely reduced by this acquisition?
 - i. Market for the supply of Static and Armed Guarding security services
 - ii. Market for the supply of Armed Mobile security services
 - iii. Market for the supply of Electronic Security System Installation and Monitoring
 - iv. Market for the supply of Dog Handling, and Training security services
 - v. Market for the supply of Cash-In-Transit and Vault Storage security services
 - vi. Market for the supply of Close Personal Security and Escort services
- c) Which particular security services that are currently independently provided by the merging parties do you consider is likely to be affected post acquisition and thereby potentially impacting your available choice?
- d) What barriers to entry does a new entrant face? What barriers to expansion does an existing competitor face?
- e) Does your firm seek bids from security companies to provide their services? If so, do you seek

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bids for a single or a bundle of services?

- f) Further to e) above, will the acquisition remove your firm's ability to acquire the current services in the market? And,
- g) Under what circumstances does your firm exercise countervailing power?
- h) The Commission understands that a vast number of security firms provide 'static guard' or 'armed guarding' type security services. Is there any "close" substitute for the provision of 'other types' of security services such as cash-handling by any other firms operating within Papua New Guinea?
- i) Will the proposed acquisition remove a vigorous and effective competitor (The Corps) in the market?
- j) Post acquisition, will the parties have significant ability to sustainably increase prices and profits post acquisition in anyone of the submarkets or the security industry as a whole?

A copy of our letter and your response will be placed on the public register and website unless a request for confidentiality is made, although all such requests are not necessarily granted. Section 131 of the Act governs confidentiality matters.

The Commission appreciates your cooperation to respond to our queries and look forward to receiving your response.

Yours sincerely,

Assoc. Prof. Billy Manoka, (PhD)

Commissioner/CEO