

# Anticipated acquisition by Hitachi Rail, Ltd of Thales SA's Ground Transportation Systems Business

## TERMS OF REFERENCE

1. In exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
  - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:
    - (i) enterprises carried on by Hitachi Rail, Ltd, a wholly owned subsidiary of Hitachi, Ltd, will cease to be distinct from the enterprise consisting of the Ground Transportation Systems business carried on by Thales SA; and;
    - (ii) the condition specified in section 23(1)(b) of the Act is satisfied.
  - (b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including in the supply of:
    - (i) European Train Control System Automatic Train Protection wayside re-signalling projects;
    - (ii) operation and control systems projects; and
    - (iii) communication-based train control signalling projects for metros.
2. Therefore, in exercise of its duty under section 33(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 8 June 2023, on the following questions in accordance with section 36(1) of the Act:
  - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and

- (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

**Colin Raftery**  
**Senior Director, Mergers**  
**Competition and Markets Authority**  
**23 December 2022**