

## REFERENCE RELATING TO THE ANTICIPATED ACQUISITION BY HITACHI RAIL, LTD OF THALES SA'S GROUND TRANSPORTATION SYSTEMS BUSINESS

### Notice of addendum to provisional findings made under Rule 11.3 of the Competition and Markets Authority Rules of Procedure<sup>1</sup>

1. On 23 December 2022, the Competition and Markets Authority (the **CMA**), in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**), made a reference to its chair for the constitution of a Group of CMA Panel Members (the **Inquiry Group**)<sup>2</sup> regarding the anticipated acquisition by Hitachi Rail, Ltd of Thales SA's Ground Transportation Systems Business (the **Merger**) for further investigation and report.
2. On 9 and 13 January 2023, the CMA published notices of an extension of the reference period, made pursuant to section 39(4) of the Act as a result of the failure by both Hitachi and Thales to comply with the requirements of notices of 23 December 2022 under section 109 of the Act (the section 109 notices).<sup>3</sup>
3. On 14 March 2023, the CMA was satisfied, for the purposes of section 39(8) of the Act, that the documents and information required by the section 109 notices had been provided. The CMA accordingly terminated the extension of the reference period and 64 days were added to the statutory deadline such that the reference period was due to expire on 11 August 2023. The notices of termination of extension were published on the CMA's website on 14 March 2023.<sup>4</sup>
4. The Inquiry Group appointed to consider this reference published its [Notice of provisional findings](#), [summary of provisional findings](#) and a [Notice of possible remedies](#) on 8 June 2023. [The full provisional findings report](#) was published on 12 June 2023.

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<sup>1</sup> See [Rules of procedure for merger, market and special reference groups: CMA17](#).

<sup>2</sup> Under [Schedule 4](#) to the Enterprise and Regulatory Reform Act 2013.

<sup>3</sup> See [Notice of extension of inquiry period under section 39\(4\) of the Act \(Thales\)](#) dated 9 January 2023; [Notice of extension of inquiry period under section 39\(4\) of the Act \(Hitachi\)](#) dated 9 January 2023; [Notice of extension of inquiry period under section 39\(4\) of the Act \(Thales\)](#) dated 13 January 2023; and [Notice of extension of inquiry period under section 39\(4\) of the Act \(Hitachi\)](#) dated 13 January 2023.

<sup>4</sup> See [Termination of extension of inquiry period \(Thales\)](#) dated 14 March 2023; [Termination of extension of inquiry period \(Hitachi\)](#) dated 14 March 2023; [Termination of extension of inquiry period \(Thales\)](#) dated 14 March 2023; and [Termination of extension of inquiry period \(Hitachi\)](#) dated 14 March 2023.

5. On 18 July 2023, the Inquiry Group decided to extend the revised reference period by eight weeks under section 39(3) of the Act to 6 October 2023.<sup>5</sup>
6. Following publication of the provisional findings, new evidence relating to the provisional finding of a substantial lessening of competition (SLC) in the market for the supply of communications-based train control signalling systems and related services (**CBTC systems**) in the UK was submitted to and gathered by the CMA. The Inquiry Group has considered this new evidence alongside the original evidence.
7. For the reasons set out in the addendum provisional findings report accompanying this notice, the Inquiry Group has now revised its view, and provisionally concludes that the Merger may not be expected to result in an SLC in the market for the supply of CBTC systems in the UK.

## The next steps

8. Anyone wishing to comment on the addendum provisional findings is now invited to provide the Inquiry Group with their reasons in writing as to why these addendum provisional findings should not become final (or, as the case may be, should be varied).
9. These reasons should be received by the Inquiry Group no later than **17:00 (UK time) on Thursday 31 August 2023**. For comments submitted by email, these should be sent to [Hitachi.Thales@cma.gov.uk](mailto:Hitachi.Thales@cma.gov.uk).
10. In addition, any interested person is invited to provide the Inquiry Group with its views in writing as to the impact of this addendum provisional findings on the appropriateness of the remedies proposed in the Notice of Possible Remedies and on the remedies proposed by the Parties in their response to the Notice of Possible Remedies.<sup>6</sup>
11. The Inquiry Group will have regard to any such reasons in making its final decisions on the statutory questions and actions. However, the Inquiry Group shall not be obliged to take into account reasons which are provided after the deadline specified in paragraph 9.

Stuart McIntosh  
*Inquiry Group Chair*

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<sup>5</sup> See [Notice of extension of inquiry period under section 39\(3\) of the Act](#) dated 18 July 2023.

<sup>6</sup> CMA, [Notice possible remedies \(publishing.service.gov.uk\)](#), 8 June 2023. [Parties' response to the Notice of Possible Remedies](#), 22 June 2023.

23 August 2023

*Note:* A copy of this notice and addendum provisional findings report will be placed on the [CMA website](#) on 23 August 2023. The published version of the addendum provisional findings report will not contain any information which the Inquiry Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [✂].