



DETERMINATION OF MERGER NOTIFICATION M/06/006 – Jabil/Celetronix

Section 21 of the Competition Act 2002

Proposed acquisition by Jabil Circuit Inc. of Celetronix International, Ltd.

Dated 7th March 2006

Introduction

1. On 9th February 2006 the Competition Authority (“the Authority”), in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Jabil Circuit Inc. (“Jabil”) would acquire the whole of Celetronix International, Ltd. (“Celetronix”), apart from its three subsidiaries that primarily sell memory modules.

The undertakings involved

2. Jabil provides electronic manufacturing services (“EMS”) to Original Equipment Manufacturers (“OEMs”), including to OEMs in the State. EMS providers manufacture electronic components and products which are then used by OEMs in the assembly of their electronic products or sold by them under their own OEM brand. Jabil’s customers operate in the aerospace, automotive, computing, consumer, defence, instrumentations, medical, networking, peripherals, storage and telecommunications markets. Jabil had a worldwide turnover of €5.91 billion and a turnover in the State of €[50-100]m in the financial year ending 31st August 2005. Jabil has one subsidiary in the State: Jabil Global Services Limited.
3. Celetronix is also a provider of EMS to OEMs. It had a worldwide turnover of €116.1m and a turnover in the State of €[0-1]m for the financial year ending 31st March 2005. In the State, Celetronix only provides EMS to OEMs active in the computer industry. It has no subsidiaries in the State [].

Analysis

4. The parties’ activities overlap in the provision of EMS to OEMs in the computer industry. The parties estimate that their combined share of this sector in Ireland amounts to [0-5]%. With regard to the wider provision of EMS to OEMs generally, the parties’ combined share in the EEA (“European Economic Area”), excluding captive production, is c. 6%, and in Ireland their combined share is [0-5]%. Given the small shares, the availability of alternative providers and the views of customers expressing

a lack of concern, the proposed transaction does not give rise to competition concerns.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Jabil Circuit Inc. of Celetronix International, Ltd. will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K Gorecki
Member of the Competition Authority