



Our ref: IM-70202
Contact officer: Elizabeth Elias / Nadia Vassos
Contact phone: 02 6243 1104 / 02 6243 1016

23 Marcus Clarke Street
Canberra ACT 2601

GPO Box 3131
Canberra ACT 2601

tel: (02) 6243 1368
mergers@acc.gov.au

21 August 2019

www.accc.gov.au

Dear interested party,

Request for submissions: Assa Abloy's acquisition of Seal Doors and E Plus

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the transactions involving the acquisition of the Seal Doors Group (**Seal Doors**) by Assa Abloy Australia Pacific Pty Ltd (**Assa Abloy**), and the proposed acquisition of E Plus Building Products Pty Ltd (**E Plus**).

Assa Abloy is a global manufacturer and supplier of a range of door opening products, door locks, security solutions, fire door cores and related services. Seal Doors manufactures and distributes a range of doors, door frames and other related products and services. E Plus supplies fire door cores in Australia under the E-Core brand. Further details regarding the acquisitions can be found at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, the ACCC is considering:

- how closely Assa Abloy and E Plus compete with each other in supplying fire door cores
- whether the prices of doors or any door components will increase, and
- whether fire door manufacturers and customers have alternative options for sourcing fire door cores and related door components, particularly if Assa Abloy commenced supplying completed fire door sets.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have or have had the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on 6 September 2019**. Responses may be emailed to mergers@acc.gov.au with the title: *Submission re: Assa Abloy Seal*

Doors E Plus - attention Elizabeth Elias / Nadia Vassos. If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Elizabeth on 02 6243 1104 or Nadia on 02 6243 1016.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Tom Leuner
General Manager
Merger Investigations

Attachment A

The transaction

On 29 March 2019, Assa Abloy acquired Seal Doors, comprising Seal Doors Pty Ltd and seven of its subsidiaries (**the completed acquisition**). Prior to completing this acquisition, Seal Doors separated its subsidiary, E Plus. Assa Abloy now proposes to acquire E Plus (**the proposed acquisition**).

The ACCC is investigating both the completed acquisition and the proposed acquisition.

Assa Abloy

Assa Abloy is a global manufacturer and supplier of a range of door opening products, door locks, security solutions, fire door cores and related services. It owns a number of brands including Abloy, Aperio, Cliq, Lockwood, Traka, Whitco, Yale and Pyropanel.

Seal Doors

Seal Doors manufactures and distributes a range of doors, door frames and other related products and services. Prior to the completed acquisition, Seal Doors comprised eight subsidiaries, including Spence Doors, Action Building Systems, All Door Installations, Sliding Door Pockets, National Doors, Peninsula Fire Doors and Victoria Fire Doors. Spence Doors is the leading producer of commercial doors in Australia.

E Plus

E Plus supplies the “E-Core” fire door core product. E-Core is a vermiculite based core sourced from China. Certified E-Core based fire doors are distributed via a network of licenced fire door manufacturers throughout Australia and New Zealand.

Competitive overlap

Assa Abloy and E Plus both supply fire door cores for use in the construction of fire doors. Assa Abloy’s fire door core product is Pyropanel, and E Plus owns the E-Core brand. Both products are distributed via a network of licenced fire door suppliers throughout Australia.

The completed acquisition has combined Assa Abloy’s operations in manufacturing locks, door hardware and fire door cores with Seal Doors’ operations in manufacturing doors and frames, and installing doors.

Attachment B

1. Please provide a brief description of your business or organisation.
2. Please outline the reasons for your interest in the proposed acquisition, including any commercial relationship/s with Assa Abloy, Seal Doors and/or E Plus.

General questions for all market participants, including fire door manufacturers

3. Do you consider that Pyropanel and E Plus compete closely in the supply of fire door cores?
4. Please identify the alternative suppliers of fire door cores, door hardware, leaves and frames with reference to how they compare in terms of pricing, product quality and service quality.
5. Please describe the process of obtaining certification for fire doors, including the regulatory requirements, and cost and time involved.
 - a. Can anyone obtain certification? Who has the right to supply a certified fire door?
 - b. What are the requirements for certified testing facilities?
6. Are you aware of any recent or proposed changes to the Australian standards for fire door certification? Please provide details.
7. Please describe your key considerations/requirements for fire doors. How important are the following:
 - a. The type or brand of fire door core that is used?
 - b. A wide range of certified combinations of door hardware, leaves and frames with different wall types?
 - c. Ability to supply all types of doors used in a building project?
 - d. Ability to customise doors to certain specification?
8. Have you considered self-supply of fire door cores, such as imports from overseas manufacturers? Why or why not? To the extent known, please provide details of what would be involved, including the regulatory requirements, and the cost and time involved in obtaining certification.
9. Are you aware of any overseas fire door core manufacturers that could commence supply into Australia? If relevant, please provide any details of overseas manufacturers that you have approached for supply and whether you were able to obtain supply from these manufacturers.
10. To what extent is overseas certification compliant with Australian standards? How do these standards vary?
11. Do you have any concerns about the completed or proposed acquisitions? Please explain your answer.

Questions for purchasers of fire doors, including construction companies

12. Please describe your procurement process for fire doors, and your current supplier/s.
13. Please identify the alternative suppliers of fire doors with reference to how they compare in terms of pricing, product quality and service quality.
14. If you currently procure all doors used in a building project from one supplier, would you consider procuring fire doors separately? Why or why not?

Questions for door hardware, frame and leaf suppliers

15. How essential is the sale of fire door components to your business? What percentage of your total sales of door component products is from products designed for use in fire door sets?
16. Please identify the supplier/s of fire door cores for which your door component products are currently certified with as part of a fire door set. For the door components you supply that are used as part of a certified fire door set, please identify the proportions supplied in conjunction with each different fire door core supplier.
17. Please describe the process of commencing supply of door hardware, frame or leaf products for use on fire doors. Please provide details of the regulatory requirements, and the cost and time involved in obtaining certification.

Questions for fire door core suppliers

18. Who do you consider to be your closest competitors? Do you consider that Pyropanel and E Plus compete closely in the supply of fire door cores?
19. Please describe your customers' key requirements for fire door cores. How important is a wide range of certified combinations of fire door cores, hardware, leaves and frames with different wall types?

Other information or competition issues

20. Please provide any additional information or comments, or identify other competition issues, that you consider relevant to the ACCC's consideration of the acquisitions under section 50 of the Act.