



Section 57 of the Competition Act 2004

Grounds of Decision issued by the Competition and Consumer Commission of Singapore

In relation to the Proposed Merger of Hino Motors Ltd and Mitsubishi Fuso Truck and Bus Corporation

Date: 7 October 2025

Case number: CCS 400-140-2025-004

Confidential information in the original version of this Decision will be redacted from the published version on the public register. Redacted confidential information in the text of the published version of the Decision is denoted by [X].

I. Introduction

1. On 4 July 2025, the Competition and Consumer Commission of Singapore (“CCS”) accepted a joint application by Hino Motors, Ltd. (“**Hino**”) and Mitsubishi Fuso Truck and Bus Corporation (“**MFTBC**”) (collectively, the “**Parties**”), through Allen & Gledhill LLP representing Hino and Drew & Napier LLC representing MFTBC, for a decision pursuant to s 57 of the Competition Act 2004 (the “**Act**”) as to whether the proposed merger between Hino and MFTBC through the establishment of a new holding company (the “**Proposed Transaction**”) will infringe s 54 of the Act, if carried into effect.
2. In reviewing the Proposed Transaction, CCS conducted a public consultation from 14 July 2025 to 28 July 2025 and sought feedback from 54 various stakeholders. CCS received 12 substantive feedback from third parties, including end-customers, competitors, distributors and a government agency.¹ Five third parties raised concerns with the Proposed Transaction.² Third parties active in the medium-duty truck (5 tonnes \leq MLW \leq 16 tonnes) segment indicated that the merger would result in (1) potentially higher prices charged by the Parties due to lack of competition, and (2) fewer choices due to limited number of suppliers in the market post-merger. One third party active in the heavy-duty truck (MLW $>$ 16 tonnes) segment indicated that there would be (1) reduced options for end-customers, and (2) increased costs for aftersales services.
3. At the end of the consultation process and after evaluating the available information, CCS has concluded that the Proposed Transaction, if carried into effect would not infringe s 54 of the Act.

II. The Parties

4. Hino is a listed company that is solely controlled by Toyota Motor Corporation (“**Toyota**”).³ Globally, Hino manufactures and supplies commercial vehicles⁴ such as trucks, buses,⁵ industrial and automotive engine and spare parts. In Singapore it operates under the “HINO” brand and distributes commercial vehicles such as trucks (which include light-commercial vehicles,⁶ medium-duty trucks⁷ and heavy-duty trucks⁸), spare parts and aftersales services through its independent exclusive distributor, Borneo Motors

¹ Three distributors, four end-customers. Two competitors and three potential competitors.

² Three end-customers that are active in the medium-duty trucks (5 tonnes \leq max laden weight (“**MLW**”) \leq 16 tonnes) segment; one end-customer in the HDT segment; one competitor in both medium-duty trucks (5 tonnes \leq MLW \leq 16 tonnes) and HDT segment.

³ Paragraph 7.1 of Form M1.

⁴ Carries a MLW ranging from 3.5 tonnes to 100 tonnes.

⁵ Carries a MLW ranging from 7.5 tonnes to 18 tonnes.

⁶ Carries a MLW of less than 5 tonnes.

⁷ Carries a MLW of more than or equals to 5 tonnes to 16 tonnes.

⁸ Carries a MLW of above 16 tonnes.

(Singapore) Pte. Ltd (“**Borneo**”). Additionally, Hino also supplies bus engines to Toyota for its buses in Singapore.⁹

5. MFTBC is a private company that is solely controlled by Daimler Truck AG (“**DTAG**”).¹⁰ Globally, MFTBC is involved in the development, design, manufacture, sale, purchase, import and export of trucks, buses, and industrial engines.¹¹ In Singapore, MFTBC operates under the “FUSO” brand and distributes light-duty trucks¹² (but ceased supply before 2022), medium-duty trucks¹³ and heavy-duty trucks,¹⁴ buses, spare parts and aftersales services through its independent distributor, Goldbell Engineering Pte. Ltd (“**Goldbell Engineering**”).

III. Competition issues

6. The Parties submitted in their Form M1 that they overlap in the supply of medium-duty trucks ($5 \text{ tonnes} \leq \text{MLW} \leq 16 \text{ tonnes}$) and heavy-duty trucks ($\text{MLW} > 16 \text{ tonnes}$) (“**HDTs**”), in Singapore.¹⁵ The Parties subsequently resubmitted their market definition of light-commercial vehicle ($\text{MLW} \leq 5 \text{ tonnes}$) (“**LCVs**”) and medium-duty trucks ($5 \text{ tonnes} < \text{MLW} \leq 16 \text{ tonnes}$) (“**MDTs**”),¹⁶ given that trucks with a MLW of exactly 5 tonnes do not require a vehicle parking certificate.¹⁷ Vehicles with MLW of more than 5 tonnes would require owners to purchase a vehicle parking certificate, and such vehicles are required to be parked at designated parking spaces for overnight parking, away from residential areas. This is unlike LCVs that are smaller and can be parked at residential or public carparks.¹⁸ In view of the Parties’ resubmitted market definition, the Parties would consequently overlap in the supply of LCVs, MDTs and HDTs.
7. Given the nature of the overlap between the Parties, CCS’s assessment of the Proposed Transaction focused on the potential non-coordinated¹⁹ and coordinated²⁰ effects in Singapore arising from the horizontal overlaps between the Parties. No vertical or

⁹ Paragraph 15.3 of Form M1.

¹⁰ Paragraph 7.3 of Form M1.

¹¹ Paragraph 10.10 of Form M1.

¹² Carries a MLW less than 5 tonnes.

¹³ Carries a MLW of more than or equals to 5 tonnes to 16 tonnes.

¹⁴ Carries a MLW of above 16 tonnes.

¹⁵ Paragraph 15.1 of Form M1.

¹⁶ Paragraph 2.3 of the Parties’ supplemental submission dated 17 September 2025; and paragraph 1.1 of the Parties’ response dated 29 September 2025 to CCS’s clarifications dated 26 September 2025.

¹⁷ Paragraph 2.2 of the Parties’ supplemental submission dated 17 September 2025.

¹⁸ Paragraphs 7.10 and 8.6 of the Parties’ response dated 28 August 2025 to CCS’s RFI dated 15 August 2025.

¹⁹ Non-coordinated effects arise when there is a loss of competition between the merging parties and the merged entity finds it profitable to raise prices and/or reduce output, or quality or innovation. Paragraph 4.8 of *CCCS Guidelines on the Substantive Assessment of Mergers*.

²⁰ Coordinated effects arise if the merger raises the possibility of firms in the market coordinating their behaviour to raise prices, reduce quality, or output or innovation. Paragraph 4.8 of *CCCS Guidelines on the Substantive Assessment of Mergers*.

conglomerate effects in Singapore were identified as arising from the Proposed Transaction.

IV. Relevant markets

8. Based on the information received from the Parties and third parties, for the purposes of assessing the Proposed Transaction, CCS assessed the relevant markets may be the global supply of LCVs ($MLW \leq 5$ tonnes), MDTs ($5 \text{ tonnes} < MLW \leq 16$ tonnes) and HDTs ($MLW > 16$ tonnes), to Singapore.²¹ However, CCS was of the view that it is not necessary to establish with precision the exact boundaries for the classification of LCVs / light goods vehicles ($MLW \leq 3.5$ tonnes) (“**LGVs**”) and MDTs / heavy goods vehicles ($3.5 \text{ tonnes} < MLW \leq 16$ tonnes) (“**HGVs**”) as this would not substantively impact the outcome of CCS’s competitive analysis.

V. Competition assessment

9. CCS assessed that while the Parties overlap in the supply of LCVs in Singapore, the Parties' combined market share of [~~>25-35%~~] in 2024 would neither exceed the 40% market share threshold nor exceed the CR3 threshold of 70% set out in *paragraph 5.15 of CCS Guidelines on the Substantive Assessment of Mergers*. The incremental market share following the merger would be [~~>0-10%~~] with Hino’s market share being [~~>20-30%~~] and MFTBC’s market share being [~~>0-10%~~] in 2024.²² CCS also notes that there are multiple alternative competitors²³, and the barriers to entry are moderate. Additionally, CCS did not receive any concerns from third parties regarding the Proposed Transaction in relation to the supply of light commercial vehicles²⁴ in Singapore.
10. CCS instead focused its assessment on the supply of medium-duty trucks ($5 \text{ tonnes} \leq MLW \leq 16$ tonnes) and HDT ($MLW > 16$ tonnes) segment in view of the overlap between the Parties in these segments. Additionally, CCS considered the feedback raised by three third parties for MDTs which included concerns that the merger would result in potentially higher prices charged by the Parties and fewer choices in the MDT market. For the HDT market, CCS assessed concerns from one third party relating to reduced options for end-customers and increased costs for aftersales services. CCS noted that other third parties contacted raised no concerns with the Proposed Transaction and had

²¹ Paragraph 1.1 of the Parties response dated 29 September 2025 to CCS’s clarifications dated 26 September 2025.

²² Paragraph 1.10.1 of the Parties’ response dated 29 September 2025 to CCS’s clarifications dated 26 September 2025.

²³ Paragraph 1.10.2 of the Parties’ response dated 29 September 2025 to CCS’s clarifications dated 26 September 2025.

²⁴ Carries a MLW of less than 5 tonnes.

indicated the presence of alternative competitors in the relevant markets as well as moderate barriers to entry.

11. Based on the information received from the Parties and third parties, CCS assessed that the Proposed Transaction is unlikely to give rise to horizontal concerns and thus substantial lessening of competition (“SLC”), in the supply of MDTs and HDTs in Singapore, for the following reasons:
 - a. Presence of alternative suppliers which can supply MDTs and HDTs to end-customers in Singapore.
 - b. Barriers to entry are moderate but would not hinder potential competitors from supplying MDTs and HDTs to end-customers in Singapore.
 - c. End-customers can switch to alternative suppliers that supply MDTs and HDTs in Singapore.
 - d. Little to no transparency in prices given that end-customers typically procure through quotations or tenders.
 - e. Third party distributor may squeeze their own margin to secure strategically important account deals, and end-customers that purchase larger volume of trucks are typically able to obtain competitive if not lower prices from distributors either by obtaining quotations or through tenders.

VI. Conclusion

12. For the reasons above and based on the information available, CCS has assessed that the Proposed Transaction, if carried into effect, would not lead to a substantial lessening of competition in Singapore and consequently, would not infringe s 54 of the Act.
13. In accordance with s 57(7) of the Act, the decision will be valid for a period of one year from the date of CCS’s decision.

ALVIN KOH
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COMPETITION AND CONSUMER COMMISSION OF SINGAPORE