

CLARIANT/KILFROST MERGER INQUIRY

Summary of hearing with Aviator on 30 March 2016

Background

1. Aviator stated that it provided aviation services in the United Kingdom (UK) offering ground handling services and de-icing services (including anti-icing/preventive de-icing).
2. Aviator said that it had entered the UK market in 2014 [REDACTED].
3. Aviator stated that it had stations located across the UK [REDACTED].
4. Aviator said that it provided single stage de-icing services at only two of its UK locations; [REDACTED].
5. [REDACTED]

Market definition

6. Aviator explained that within the de-icing market there were numerous types of operational processes (ie single de-icing and dual de-icing) and de-icing fluids available (ie type I, type II, type IV).
7. Aviator stated that it used a single de-icing process with the supply of type II fluid, [REDACTED].
8. Aviator said that it was aware of other de-icing suppliers using type I and type II fluids in a two-step process [REDACTED]. It stated that it had no future plans to alter its single stage de-icing procedure.
9. Aviator explained that it had reciprocal agreements with other suppliers, [REDACTED] on the application of de-icing in case of equipment failure. [REDACTED]. It stated that these agreements required in-house auditing and approval by airline operators before it could confirm with the alternate supplier.

Bidding, negotiations and decision to switch supplier

10. Aviator said that it generally had an [REDACTED] bidding process [REDACTED].
11. Aviator stated that until 2013 within the UK its main supplier of pre-mixed type II fluid had been [REDACTED]. [REDACTED]

12. Aviator stated that it had been approached in 2013 [REDACTED].
13. Aviator said that it had three primary reasons for switching [REDACTED]: first, the importance of a UK-based aircraft de-/anti-icing fluids (ADF) supplier [REDACTED]; second, reliability of supply [REDACTED]; third, shorter delivery turnaround [REDACTED].
14. [REDACTED]

Switching process

15. Aviator explained [REDACTED]. [REDACTED] the switching process had been simple but [REDACTED], some time was needed for the switch to come into effect. [REDACTED]
16. It stated that it had incurred minimal switching costs; [REDACTED] it had notified its airline customers as a matter of courtesy but no issues had been raised.

Views on ADF suppliers

17. Aviator stated that it had dealt with [REDACTED] ADF suppliers: [REDACTED]. Its decision on ADF suppliers had been based upon quality of product, pricing and ability to supply type II fluid [REDACTED].
18. Aviator explained [REDACTED] a greater priority to have an ADF supplier with a UK-based factory.

Contract arrangements and terms

19. Aviator [REDACTED]. It explained that its purchase agreements were localised and based upon ad-hoc requirements [REDACTED].
20. [REDACTED]
21. [REDACTED]
22. [REDACTED]