

EU anti-trust officials probe Thales, Gemalto merger

July 23 2018



The European Commission said it wants to determine in an anti-trust investigation whether the merger of Thales and Gemalto will increase prices as well as reduce choice and innovation for customers of hardware security modules

The European Union said Monday it has launched an anti-trust investigation into the planned purchase by French aerospace and defence group Thales of SIM manufacturer Gemalto.

The European Commission, the 28-nation EU's executive arm, said it wants to determine whether the [merger](#) will increase prices as well as reduce choice and innovation for customers of hardware security modules (HSM).

An HSM is hardware that "runs on encryption software to "generate, protect, and manage encryption keys used to protect data in a secure, tamper-resistant module," it said.

"Our society is increasingly dependent on data security solutions to secure all sorts of social, commercial or personal information," the EU's competition commissioner Margrethe Vestager said in a statement.

"We are opening this in-depth investigation to ensure that the proposed transaction between Thales and Gemalto would not lead to higher prices or less choice in [hardware](#) security modules for customers looking to safely encrypt their data," Vestager added

In a deal valued at about 4.8 billion euros, Thales agreed in December to buy Gemalto, based in the Netherlands, outbidding French competitor Atos.

With the merger, Thales is aiming to become a global leader in digital security.

The commission expressed concern that the merger would reduce players in the market.

Gemalto is active in mobile platforms and services, mobile embedded software and products, smart cards, identification documents, government programmes, machine to machine communication, and enterprise security.

The Commission said it has until 29 Noveber to take a decision.

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Citation: EU anti-trust officials probe Thales, Gemalto merger (2018, July 23) retrieved 10 April 2024 from <https://phys.org/news/2018-07-eu-anti-trust-probe-thales-gemalto.html>

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