

Update on the proposed acquisition of Meggitt plc by Parker-Hannifin Corporation

Press release

Business Secretary Kwasi Kwarteng updates on the proposed acquisition of Meggitt plc by Parker-Hannifin Corporation.



Following advice from the Ministry of Defence and the Competition and Markets Authority and after reviewing the results of two separate consultations, the Business Secretary has today (Tuesday 19 July) cleared the acquisition of Meggitt by Parker-Hannifin to proceed.

The announcement follows the Business Secretary consulting on steps to address the national security and competition concerns raised by the proposed acquisition of Meggitt, a UK aerospace company, by Parker-Hannifin, a US-listed company which supplies components to the mobile, industrial and aerospace markets globally. The government consultation on the undertakings offered by the companies to address the concerns identified ran until 13 July 2022.

The Business Secretary has now accepted undertakings from the parties to mitigate national security risks and competition concerns.

The undertakings to mitigate the national security concerns came into force today and details are available in the [decision notice](#). In summary, the undertakings are:

- Security of Supply: ensuring that Parker will commit to honouring existing contracts while they are in place and will notify the MOD in advance if there is a material change to Meggitt's ability to supply the MOD
- Information Security: reinforcing the commitment to existing List X / Facility Security Clearance site security arrangements protecting sensitive HM government information in Meggitt, including a requirement

to retain a majority of the Board of Directors of Meggitt as UK nationals resident in the UK

- Sovereign UK Capabilities: requiring Parker-Hannifin to institute an HM government-approved control plan to prevent International Traffic in Arms Regulations (ITAR) controls applying to ITAR-free products designed and manufactured by Meggitt. The undertakings would allow the MOD to add new technology to future-proof the remedy

The undertakings to mitigate the competition concerns also came into force today and details are available on the [decision notice](#). In summary, the undertakings will deliver the divestment of Parker's aircraft wheels and brakes ('AWB') division (the 'Divestment Business') to a purchaser approved by the Secretary of State. The Divestment Business includes:

- all tangible assets (including the production site of the AWB division located at Avon, Ohio, USA, as well as the relevant inventory and equipment) and intangible assets (including intellectual property rights)
- all licences, permits, authorisations issued by any governmental organisation for the benefit of the Divestment Business
- all contracts, leases, commitments, and customer orders of the Divestment Business
- all customers credit and other records of the Divestment Business
- all staff currently employed by the Divestment Business, including staff seconded to the Divestment Business, shared personnel as well as certain additional personnel

Separately from the competition and national security issues, Parker-Hannifin has provided [economic undertakings](#) to the Secretary of State. It has committed to the following:

- Parker-Hannifin will continue to use the Meggitt name in combination with its own and will retain Ansty Park as its UK headquarters and its centre of excellence for aerospace and advanced materials
- It will increase R&D activity including undertaking research and technology projects relating to sustainable aviation and net zero.
- It will protect jobs.

These undertakings, which were voluntarily provided by Parker-Hannifin, secure the future of Meggitt and the important role it plays in the UK aerospace sector.

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