

To Whom It May Concern,

I am a globally focussed fund manager perplexed by the inclinations of the New Zealand Commerce Commission with regard to the proposed merger NZME and Fairfax NZ, as disclosed in the recently released Draft Determination. Traditionally perceived as a relatively attractive place to invest and do business, underpinned by reliable, consistent and transparent legal and regulatory bodies, New Zealand now faces the very real possibility of tidal shifts in investor attitudes away from its shores.

Confidence in the application and operation of laws and regulations, in advance, is a key foundation for the rule of law, and therefore a heavily relied upon factor in investor decision making when considering capital deployment. Having an indispensable New Zealand regulator rule on factors which potentially fall outside of its statutory decision making framework in effect establishes a highly damaging precedent that could ultimately serve to weaken New Zealand's standing in the global investment community. In particular, competition law is internationally understood to be concerned with the economic objective of promoting competition and efficiencies in markets for goods and services - not on other social policies.

The knock on effects of a ruling along the lines of this Draft Determination will inevitably make corporates and investors wary of undertaking transactions that require Commerce Commission approval if matters outside of the internationally understood framework of competition law, such as social issues or subjective value judgments, can be considered relevant. The end result is likely to be a lower level of access to global capital markets, an increased reliance on fewer financiers and higher funding costs, which in turn greatly hinders growth prospects for the New Zealand economy.

Regards,