

Determination

Fletcher Distribution Limited and Tumu Merchants Limited [2022] NZCC 27

The Commission:	Anna Rawlings Dr Derek Johnston Vhari McWha
Summary of application:	An application from Fletcher Distribution Limited seeking clearance to acquire up to 100% of the shares in, or assets of, Tumu Gisborne Limited, Tumu Napier Limited, Tumu Hastings Limited, Tumu Havelock North Limited, Tumu Dannevirke Limited, Tumu Masterton Limited and Tumu Frame and Truss Limited from Tumu Merchants Limited.
Determination:	Under section 66(3)(a) of the Commerce Act 1986, the Commerce Commission gives clearance to the proposed acquisition.
Date of determination:	27 July 2022

Confidential material in this report has been removed. Its location in the document is denoted by [].

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The Proposed Acquisition

1. On 21 March 2022, the Commerce Commission registered an application (the Application) from Fletcher Distribution Limited (FDL) seeking clearance for it, or an interconnected body corporate of FDL, to acquire up to 100% of the shares in, or assets of, Tumu Gisborne Limited, Tumu Napier Limited, Tumu Hastings Limited, Tumu Havelock North Limited, Tumu Dannevirke Limited, Tumu Masterton Limited, as well as Tumu Frame and Truss Limited from Tumu Merchants Limited (Tumu) (Proposed Acquisition).
2. Each of the Tumu companies above operates building products stores in the locations reflected in their names. Tumu Frame and Truss operates a frame and truss manufacturing plant in Hastings.

Our decision

3. The Commission gives clearance to the Proposed Acquisition because it is satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.
4. FDL and Tumu (the Parties) compete to supply building products predominantly to trade customers through building product stores or builders' merchants. We use both terms in these reasons. FDL does this under the PlaceMakers banner, while Tumu has historically done this under the ITM banner. Although it has recently left the ITM Group, we considered whether, absent the Proposed Acquisition, there is a prospect that the Tumu stores could re-join the ITM Group. It was ultimately not necessary to reach a definitive view on this issue, because even against the most competitive counterfactual – in which the Tumu stores and the frame and truss plant are acquired by ITM (or otherwise remain available to ITM when competing for national trade customers) – we consider the Proposed Acquisition would not be likely to substantially lessen competition.
5. Competition between the Parties' merchant operations occurs on two levels: the regional level, where the Parties compete to supply trade customers in Hawke's Bay and the Wairarapa, and the national level, where the Parties compete to win national contracts to supply national trade customers (eg, group home builders (GHBs)) throughout all, or parts, of New Zealand.
6. The Parties also compete to supply frame and truss in the Hawke's Bay and Wairarapa regions.
7. We considered the impact of the Proposed Acquisition on separate markets for the:
 - 7.1 supply of building products by merchants to regional trade customers in each of the Hawke's Bay and Wairarapa regions;
 - 7.2 supply of building products by merchants to national trade customers; and
 - 7.3 manufacture and supply of frame and truss in each of the Hawke's Bay and Wairarapa regions.

Supply of building products by merchants to regional trade customers in each of the Hawke's Bay and Wairarapa regions

8. Most relevant to the Application, both FDL (through its PlaceMakers stores) and the Tumu stores overlap in the supply of building products to trade customers in the Hawkes Bay and Wairarapa regions. We are satisfied that in this market, the Proposed Acquisition will not substantially lessen competition due to unilateral effects because:
 - 8.1 the Proposed Acquisition would only increase PlaceMakers' market share by a relatively modest percentage in each region;
 - 8.2 the merged entity is likely to face significant competition from Carters and Mitre 10 in both regions, and also from Bunnings in Hawke's Bay; and
 - 8.3 the constraint provided by these competitors means that the merged entity is unlikely to be able to profitably increase prices above, or reduce quality of products or services below, the level that would prevail without the Proposed Acquisition.

9. We are also satisfied that the Proposed Acquisition is unlikely to substantially lessen competition in the supply of building products by merchants to Hawke's Bay and Wairarapa regional trade customers by:
 - 9.1 changing conditions in those markets to make it easier for competitors to coordinate their behaviour and limit competition by raising prices, reducing quality, and/or dividing up the market between them (this is known as 'coordinated effects');
 - 9.2 giving the merged entity the ability to restrict rival merchants' access to products or customers, by virtue of FDL's position at different levels of the supply chain as both supplier and seller of building products (this is known as 'vertical effects'); or
 - 9.3 increasing the merged entity's ability to offer bundled or tied products, in circumstances where its competitors could not sell the same range of products as the merged entity, such that they would no longer be able to effectively compete with the merged entity (this is known as 'conglomerate effects').

Supply of building products by merchants to national trade customers

10. We considered whether the Proposed Acquisition would substantially lessen competition in any markets for the supply of building products by merchants to national trade customers, compared to a scenario in which the Tumu stores re-join the ITM Group. We are satisfied this is not likely to occur. ITM will remain an effective competitor and supply option for national trade customers irrespective of whether it has stores in Napier, Hastings, and Masterton.

11. We are also satisfied that the Proposed Acquisition is unlikely to substantially lessen competition in the market for the supply of building products by merchants to national trade customers by:
 - 11.1 changing conditions in those markets to make it easier for competitors to coordinate their behaviour and limit competition by raising prices, reducing quality, and/or dividing up the market between them. This is principally because the Proposed Acquisition is unlikely to result in a significant change to the competitive dynamics in this market. ITM will remain an effective competitor and supply option for national customers;
 - 11.2 giving the merged entity the ability to restrict rival merchants' access to products and customers so as to reduce their competitiveness in any national customer market; or
 - 11.3 increasing the merged entity's ability to offer bundled or tied products, in circumstances where its competitors could not sell the same range of products as the merged entity, such that they would no longer be able to effectively compete with the merged entity.

Manufacture and supply of frame and truss in each of the Hawke's Bay and Wairarapa regions

12. We are satisfied that the Proposed Acquisition is not likely to substantially lessen competition in any market for the manufacture and supply of frame and truss.
 - 12.1 In the Wairarapa, the Tumu store in Masterton sells frame and truss supplied by an independent frame and truss manufacturer, while FDL supplies frame and truss from its manufacturing plant in Taupō. There is therefore no competitive overlap between the Parties in the manufacture and supply of frame and truss in the Wairarapa.
 - 12.2 In Hawke's Bay, where FDL and Tumu both manufacture and supply frame and truss, there is significant competition from Carters and independent frame and truss manufacturers that supply from other regions.
 - 12.3 Post-Acquisition, we are satisfied that the supplier to Tumu could sell frame and truss through other merchants if FDL switched to selling its own frame and truss through Tumu Masterton.
 - 12.4 The Proposed Acquisition would not increase the merged entity's ability to offer bundled or tied products. Competitors will continue to be able to sell the same range of products as the merged entity, such that they are able to effectively compete with the merged entity.

Our framework

13. Our approach to analysing the competition effects of the Proposed Acquisition is based on the principles set out in our Mergers and Acquisitions Guidelines.¹
14. To clear an application, the Commission must be satisfied that the acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.

The substantial lessening of competition test

15. As required by the Act, we assess mergers and acquisitions using the substantial lessening of competition test.
16. We determine whether a merger is likely to substantially lessen competition in a market by comparing the likely state of competition if the merger proceeds (the scenario with the merger, often referred to as the factual), with the likely state of competition if the merger does not proceed (the scenario without the merger, often referred to as the counterfactual).²
17. A lessening of competition is generally the same as an increase in market power. Market power is the ability to raise prices above the price that would exist in a competitive market (the 'competitive price'),³ or reduce non-price factors such as quality or service below competitive levels.

When a lessening of competition is substantial

18. Only a lessening of competition that is substantial is prohibited. A lessening of competition will be substantial if it is real, of substance, or more than nominal.⁴ Some courts have used the word 'material' to describe a lessening of competition that is substantial.⁵
19. As set out in our guidelines, there is no bright line that separates a lessening of competition that is substantial from one which is not. What is substantial is a matter of judgement and depends on the facts of each case. A lessening of competition or an increase in market power may manifest itself in a number of ways, including higher prices or reduced services.⁶
20. While we commonly assess competition effects over the short-term (up to two years), the relevant timeframe for assessment depends on the circumstances. A longer timeframe will be appropriate if, on the evidence, competition effects are likely to arise in later years.⁷

¹ Commerce Commission, *Mergers and Acquisitions Guidelines* (July 2019).

² *Commerce Commission v Woolworths Limited* (2008) 12 TCLR 194 (CA) at [63].

³ Or below competitive levels in a merger between buyers.

⁴ *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [127].

⁵ *Ibid* at [129].

⁶ *Mergers and Acquisitions Guidelines* above n1 at [2.21] and [2.23].

⁷ *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [131].

When a substantial lessening of competition is likely

21. A substantial lessening of competition is ‘likely’ if there is a real and substantial risk, or a real chance, that it will occur. This requires that a substantial lessening of competition is more than a possibility but does not mean that the effect needs to be more likely than not to occur.⁸

The clearance test

22. We must clear a merger if we are satisfied that the merger would not be likely to substantially lessen competition in any market.⁹ If we are not satisfied – including if we are left in doubt – we must decline to clear the merger.

The Parties

23. FDL and Tumu both supply building products and related goods and services to trade and retail/DIY customers.

FDL

24. FDL is a wholly owned subsidiary of Fletcher Building Limited. Fletcher Building Limited is a building products company involved in the manufacture and distribution of building products, residential development and commercial construction. FDL owns and operates the national network of 62 PlaceMakers stores that sell building products and related goods and services, and also has eight frame and truss manufacturing plants located throughout New Zealand.
25. Most relevant to the Application, PlaceMakers has four stores in:
- 25.1 Hawke’s Bay (one store in Napier and one in Hastings);
 - 25.2 Wairarapa (one store in Masterton); and
 - 25.3 Manawatū-Whanganui (one store in Palmerston North),
- and a frame and truss plant in Taupō, from which it supplies Hawke’s Bay.

Tumu

26. The vendor, Tumu, forms part of the Tumu Group, a privately-owned group of companies. In addition to the companies that are the subject of the Proposed Acquisition, the Tumu Group has investments in wood remanufacturing and processing, sawmilling, importing and wholesaling of building products, property investment and financing, and land and property development.
27. Relevant to the Application, Tumu (through subsidiary companies) distributes and sells building products and related goods and services from six store locations in the North Island. Tumu has stores in:

⁸ *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [111].

⁹ Section 66(3)(a).

27.1 Hawke’s Bay (one store in each of Napier, Hastings and Havelock North);

27.2 Wairarapa (one store in Masterton);

27.3 Manawatū-Whanganui (one store in Dannevirke); and

27.4 Bay of Plenty (one store in Gisborne),

and a frame and truss manufacturing plant located in Hawke’s Bay (Hastings).

28. Until May 2022, each Tumu store traded under the ITM (‘Independent Timber Merchants’) brand. On 1 May 2022 the Tumu stores left the ITM co-operative and no longer trade under the ITM brand. With the Proposed Acquisition, FDL expects to rebrand the Tumu stores as PlaceMakers stores before the end of its royalty-free licence period to use the “Tumu” brand.¹⁰

Rationale for the Proposed Acquisition

29. FDL submitted that the Proposed Acquisition is an opportunity for FDL to fill gaps in its geographic coverage of its PlaceMakers stores in areas of the North Island, []. In FDL’s view there are also synergies to be achieved from the Proposed Acquisition.¹¹
30. FDL also submitted that the Proposed Acquisition would give PlaceMakers a more direct frame and truss presence in the East Coast region, reducing its cost to supply into that region, and releasing capacity from its Taupō frame and truss plant, therefore improving its frame and truss offering in both places.¹²

Market definition

31. Market definition is a tool that helps identify and assess the competitive constraints that a merged entity would face.¹³ Determining the relevant markets requires us to judge whether, for example, two products or services are sufficiently close substitutes to fall within the same market.
32. We define markets in the way that we consider best isolates the key competition issues that arise from a proposed merger or acquisition. This may not require us to precisely define the boundaries of a market. What matters is that we consider all relevant competitive constraints, and the extent of those constraints. A relevant market is ultimately determined, in the words of the Commerce Act 1986, as a matter of fact and commercial common sense.¹⁴

¹⁰ []. The Application at [6].

¹¹ The Application at [22]-[24].

¹² The Application at [24].

¹³ *Commerce Commission v New Zealand Bus Limited* (2006) 11 TCLR 679 (HC), at [123]. *Brambles New Zealand Ltd v Commerce Commission* (2003) TCLR 868 (HC) at [137].

¹⁴ Section 3(1A). See also *Brambles v Commerce Commission* (2003) 10 TCLR 868 at [81].

The Applicant's submissions

33. In the Application, FDL submitted that the relevant markets are:¹⁵
- 33.1 regional markets for the retail supply of building products and related goods and services in Hawke's Bay, the Wairarapa and Manawatū-Whanganui; and
 - 33.2 a North Island market for the manufacture and supply of frame and truss.
34. FDL submitted that trade and retail/DIY customers are supplied in the same retail market referred to in paragraph 33.1 above.¹⁶ It submitted that:¹⁷
- 34.1 the same building products are generally suitable for both DIY and trade customers; and
 - 34.2 competitors stock products suitable for DIY and trade customers and can readily adjust their product ranges in response to changes in consumer demand.
35. FDL further submitted that merchants such as FDL and ITM (as well as Mitre 10, Carters and Bunnings) sell building products in the same markets as category specialists (eg, paint and decorating), direct suppliers (eg, roofing materials manufacturers) and online building product retailers (eg, Trade Depot).¹⁸
36. FDL submitted that the precise geographic scope of the markets is unlikely to be determinative of the Application given the presence of competitors in the narrowest plausible geographic markets. Nevertheless, FDL submitted that it is appropriate to define regional markets for the supply of building products and related goods because:¹⁹
- 36.1 most of PlaceMakers' and the Tumu stores' sales are delivered to customers either to order or on a "milk run" basis, rather than customers purchasing and picking up products at a specific store; and
 - 36.2 merchants, category specialists, online retailers and direct suppliers tend to supply customers on at least a regional basis.
37. FDL submitted that a national market is appropriate for frame and truss because it is transported to customers over long distances, with FDL currently supplying frame and truss into Hawke's Bay (where Tumu has a frame and truss plant) from Taupō.²⁰

¹⁵ The Application at [29].

¹⁶ The Application at [33.2].

¹⁷ The Application at [48].

¹⁸ The Application at [36]-[37].

¹⁹ The Application at [52] and [53].

²⁰ The Application at [64] and [66].

Our view

38. We have considered the impact of the Proposed Acquisition on markets for the:
- 38.1 supply of building products by merchants to regional trade customers in the Hawke's Bay and Wairarapa regions;
 - 38.2 supply of building products by merchants to national trade customers; and
 - 38.3 manufacture and supply of frame and truss in each of the Hawke's Bay and Wairarapa regions.
39. As noted above, market definition is a tool that helps us to undertake competition analysis, and we define markets on a case-by-case basis. In this case, we have been able to reach a decision on the Proposed Acquisition without reaching a definitive view on the boundaries of any relevant markets. We have defined the markets in a way that enabled us to best isolate the key competition issues that may arise from the Proposed Acquisition. In doing so, this should not be interpreted as reflecting how the Commission sees the boundaries of markets within the industry. Our investigation and analysis have been limited to the areas of overlap arising from, and the specific facts of, the Proposed Acquisition.

Product dimension

40. PlaceMakers and the Tumu stores overlap in the supply of building products. Given this, the appropriate starting point for market definition in this case is the supply of building products.
41. In defining the relevant product dimension of the market, we also considered whether merchants such as PlaceMakers and the Tumu stores sell building products in the same market as any category specialists, direct suppliers and online building product retailers.
42. Ultimately it has not been necessary to reach a concluded view on the scope of the product dimension, because even if the product dimension was limited to supply by merchants only, competition issues are unlikely to arise. Without expressing a concluded position, we therefore proceed on the basis that non-merchant suppliers do not comprise part of the relevant markets.

Customer dimension

43. FDL, the Tumu stores and other merchants supply customers that are differentiated by size, with large trade customers (eg, GHBs) at one end of the spectrum and smaller retail/DIY customers at the other.
44. We have not needed to reach a view on whether there are separate markets for the supply of building products to different types of customers (eg, trade versus retail/DIY customers). However, for the purposes of the competition analysis in this case, we have considered the impact of the Proposed Acquisition on the supply of building products to trade customers, given this is the main area of overlap between FDL and the Tumu stores. If the Proposed Acquisition raises no competition concerns

in the supply of building products to trade customers, it is unlikely to raise concerns in a wider market for all customers.²¹

Geographic dimension

45. We consider that the key competition issues that may arise from the Proposed Acquisition are best assessed by defining separate markets for the supply of building products to regional trade customers and national trade customers (eg, GHBs). Based on the evidence it appears that there are different options available to national and regional trade customers, and that national and regional trade customers procure products in different ways. We discuss this further below.

Regional markets

46. The evidence indicates that a very high proportion of building product purchases by trade customers in the relevant regions are delivered by the merchant to the customers' desired location (predominantly building sites).²² Deliveries from a particular store also appear to be clustered within the town in which a store is located and generally spread out from that location within a region.²³ This suggests that there are regional markets for the supply of building products by merchants to trade customers.
47. PlaceMakers and the Tumu stores overlap to a material degree in the supply of building products in two regions only: Hawke's Bay and the Wairarapa. Both PlaceMakers and Tumu operate merchant stores in Masterton, Napier and Hastings. Tumu also operates a third store in Hawke's Bay in Havelock North.
48. For the purposes of our assessment it has not been necessary to reach a definitive view on the geographic boundary of any markets for the supply of building products to trade customers. However, we have separately considered the impact of the Proposed Acquisition on the supply of building products in each of the Hawke's Bay and Wairarapa regions.
49. While Tumu also operates building products stores in Gisborne and in Dannevirke, FDL has no PlaceMakers stores in either location and only small sales in each location. FDL supplies only a small volume of building products into each region from outside those regions.²⁴ Given this limited competition between the Parties in these regions, we do not consider further the impact of the acquisition on the supply of building products to regional trade customers in Gisborne or Dannevirke. However, as we explain further below, these regions are relevant to our assessment of the

²¹ Or, indeed, in a separate market for the supply of building products to retail/DIY customers, given, as we have noted above, the merger parties overlap predominantly in the supply of building products to trade customers.

²² See, for example, Commerce Commission interview with [] and Commerce Commission interview with [].

²³ The Application at Attachment 16, Commerce Commission interview with [] and email from [] to the Commerce Commission [].

²⁴ The Application at Attachment 2.

impact of the Proposed Acquisition on the supply of building products to national customers.

National market

50. National trade customers negotiate the terms of supply of building products from merchants on a national or multi-regional basis. Third party customers have told us that merchants require at least a multi-regional network to be able to compete for national trade customers.²⁵
51. Overall we consider that, as a consequence of the above, these customers have different supply options from regional customers.²⁶
52. We consider that defining a separate customer market for national trade customers allows us to assess any distinct impacts of the Proposed Acquisition on national customers, in addition to impacts on regional customers.

The manufacture and supply of frame and truss

53. Given FDL and Tumu overlap in the manufacture and supply of frame and truss, we have considered the impact of the Proposed Acquisition on markets for the manufacture and supply of frame and truss.
54. We have not needed to reach a conclusion on whether the geographic scope of any market for the manufacture and supply of frame and truss is the North Island, as suggested by FDL, or if there are narrower geographic markets within the North Island or even specific regions. We received evidence showing that frame and truss manufacturers supply and deliver frame and truss some distance from manufacturing plants.²⁷ However, for the purposes of this merger analysis, we have considered the impact of the Proposed Acquisition on the supply of frame and truss in each of the Hawke's Bay and Wairarapa regions.

Without the acquisition

55. In the Application, FDL submitted that the counterfactual is the status quo, under which the Tumu stores would continue to operate under the ITM brand (either under Tumu ownership or the ownership of a third party) and FDL would continue to operate PlaceMakers stores in Gisborne, Hawke's Bay and the Wairarapa.²⁸
56. Without the acquisition, FDL is likely to continue to organically grow its network of PlaceMakers stores in Gisborne, Hawke's Bay and the Wairarapa.

²⁵ Email from [], email from [], email from [], email from [] and email from [].

²⁶ In many regions, regional customers may have supply options that include FDL, Carters, ITM, Mitre 10 and Bunnings. However, some national customers mainly have only FDL, Carters and ITM as options for preferred supply agreements.

²⁷ Commerce Commission interview with [], Commerce Commission interview with [].

²⁸ The Application at [26].

57. We have considered whether the Tumu stores, operated independently of ITM, might otherwise remain available to ITM when competing for national trade customers, for example by joining up with ITM for the purposes of bidding for national contracts.
58. We have also considered whether Tumu could be sold to an alternative purchaser if the Proposed Acquisition did not go ahead. In particular, we note that Tumu leaving ITM means that ITM no longer has any material presence in Hawke's Bay or the Wairarapa. This could give ITM (or a shareholder of the ITM co-operative) the incentive to buy Tumu and operate the Tumu stores in the counterfactual to regain coverage in these regions.
59. We received conflicting evidence on the likelihood of Tumu being available for purchase by ITM in the counterfactual.
60. It has ultimately not been necessary to resolve this conflict, however, because even against the most competitive counterfactual – in which the Tumu stores and the frame and truss plant are acquired by ITM (or otherwise remain available to ITM when competing for national trade customers) – we consider the Proposed Acquisition would not be likely to substantially lessen competition.

Competition analysis – supply of building products to regional trade customers in the Hawke's Bay and Wairarapa regions

61. We assessed whether the Proposed Acquisition would be likely to substantially lessen competition for the supply of building products to regional trade customers in the Hawke's Bay and Wairarapa regions by assessing whether any horizontal unilateral, vertical, conglomerate or coordinated effects might result from the Proposed Acquisition.
62. For the reasons set out below, we consider that the Proposed Acquisition will not have, and would not be likely to have, the effect of substantially lessening competition for the supply of building products to regional trade customers in the Hawke's Bay and Wairarapa regions.

Unilateral effects: would the merged entity be able to profitably raise prices by itself?

63. Unilateral effects arise when a firm merges with a competitor that would otherwise provide a significant competitive constraint (particularly relative to remaining competitors) such that the merged firm can profitably increase prices above the level that would prevail without the merger without the profitability of that increase being thwarted by rival firms' competitive responses.²⁹

²⁹ *Mergers and Acquisitions Guidelines* above n1 at [3.62]. Price in this document refers to all dimensions of competition, including quality, range, the level of innovation, service or any other element of competition valued by buyers.

The Applicant's submissions

64. In the Application, FDL submitted that the Proposed Acquisition would not be likely to substantially lessen competition in any regional building products markets due to unilateral effects because:³⁰
- 64.1 the Proposed Acquisition would lead to a modest increase in PlaceMakers' market share, and PlaceMakers and the Tumu stores are not each other's closest competitors;
 - 64.2 there are other competitors in each relevant region, including other merchants (including ITM stores other than the Tumu stores) and category specialists;
 - 64.3 strong price competition between merchants would remain post-Acquisition;
 - 64.4 new entry and expansion by merchants (including ITM) is likely; and
 - 64.5 category specialists and direct suppliers account for over half of building product sales.
65. FDL further submitted that the Proposed Acquisition would not result in any loss of competition due to reduction in service quality. It says that PlaceMakers will be incentivised to retain any aspects of service quality that the Tumu stores offer, and further improve the Tumu stores' service offering with, amongst other things, superior IT capabilities which it utilises in its PlaceMakers stores.³¹

Our assessment

66. In our view, the Proposed Acquisition will not substantially lessen competition due to unilateral effects in any relevant markets for the supply of building products to regional customers. This is because:
- 66.1 the Proposed Acquisition would only increase PlaceMakers' market share by a relatively modest percentage in each region; and
 - 66.2 in both Hawke's Bay and the Wairarapa, Carters and Mitre 10 remain as significant competitors.
67. The constraint provided by these existing competitors means that the merged entity is unlikely to be able to profitably increase prices above (or reduce quality below) the level that would prevail without the Proposed Acquisition.

Overlap between PlaceMakers and the Tumu stores

68. PlaceMakers and the Tumu stores compete to supply building products and related goods and services to trade and retail customers.

³⁰ The Application at [68] and [88].

³¹ Fletcher Distribution Limited submission on the Statement of Issues to the Commerce Commission (30 June 2022) at [10].

69. Both PlaceMakers and Tumu operate building products stores in Masterton, Napier and Hastings. Tumu also operates a third store in Hawke's Bay in Havelock North.
70. While Tumu also operates building products stores in Gisborne and in Dannevirke, PlaceMakers has no stores, and only small sales, in each location. PlaceMakers supplies a small amount of product into Gisborne from other regions.³² Similarly, PlaceMakers supplies a small amount of product into Dannevirke from Palmerston North.³³

Competition in the supply of building products to regional Wairarapa trade customers

71. PlaceMakers and Tumu both operate building products stores in Masterton in the Wairarapa. In Masterton, they compete with Carters and Mitre 10 stores.³⁴ Bunnings currently has no store in the Wairarapa.
72. An analysis of estimated market shares in the supply of building products to trade customers shows that PlaceMakers' increase in market share in the Wairarapa with the Proposed Acquisition is relatively modest, and the merged entity would have an estimated market share of [].³⁵
73. Carters and Mitre 10 will provide significant competition to the merged entity post-Acquisition:
- 73.1 Multiple regional customers in the Wairarapa told us that they use each of PlaceMakers, Tumu and Carters as their main supplier.³⁶ Two customers told us they use Mitre 10 as their main supplier.³⁷
- 73.2 The majority of customers told us that despite having one main supplier, they could or would switch to purchasing (or increase the amount of product that they already purchase) from an alternative supplier if their main supplier raised prices or reduced quality.
- 73.3 Overall, customers in the Wairarapa consider the market for the supply of building products to trade customers in the Wairarapa to be competitive. They did not raise material concerns about the Proposed Acquisition. Most customers indicated that they would have alternative supply options to the merged entity, and the evidence suggests that in response to any efforts by the merged entity to reduce any aspects of service quality post-Acquisition

³² The Application at fn 6.

³³ []. The Application at [58].

³⁴ There are additional Carters and Mitre 10 stores in smaller towns within the Wairarapa, as well as a small ITM store in Greytown.

³⁵ Based on estimated market shares of sales revenue for the supply of building products by merchants (ie excluding sales by specialists and other suppliers).

³⁶ Commerce Commission interviews with []

³⁷ Commerce Commission interviews with []].

(eg, increased delivery times or other reduction in service) a significant portion of customers would or could switch to rival merchants.

74. Taken as a whole, the evidence suggests that trade customers in the Wairarapa have two viable merchant alternatives to the merged entity in Carters and Mitre 10.
75. For these reasons, we consider that the constraint provided by other merchants³⁸ in the Wairarapa means that in the supply of building products in the Wairarapa region the merged entity is unlikely to be able to profitably increase prices above, or reduce quality below, the level that would prevail without the Proposed Acquisition. In response to an attempt by the merged entity to raise prices (or reduce quality), Carters and Mitre 10 provide viable alternative options to the merged entity.
76. We have not found it necessary to reach a view on the likelihood of entry and/or expansion of competitors, given the constraint that the merged entity would face from existing competitors.

Competition in the supply of building products to regional Hawke's Bay trade customers

77. PlaceMakers and Tumu both operate building products stores in Napier and Hastings in Hawke's Bay. Tumu also has an additional store in Havelock North. In both Napier and Hastings, the Parties compete with Carters and Mitre 10 stores.³⁹ Bunnings also has a store in Hastings, which supplies to both retail/DIY and trade customers.
78. An analysis of estimated market shares in the supply of building products to trade customers in Hawke's Bay shows that Tumu is the largest supplier to trade customers in Hawke's Bay, with PlaceMakers being the fourth largest supplier. PlaceMakers' increase in market share in Hawke's Bay with the Proposed Acquisition is relatively modest and the merged entity would have an estimated market share of []%.⁴⁰
79. Carters and Mitre 10 are significant competitors in Hawke's Bay and would remain alternative supply options for trade customers. Bunnings also exists as a supply option in Hastings, although it is smaller. The presence of these competing merchants would provide competitive constraint on any attempts by the merged entity to raise prices or reduce quality:

³⁸ It has not been necessary to reach a concluded view on the level of out-of-market constraint imposed by non-merchants given our conclusion that constraint from existing merchants is sufficient to constrain the merged entity.

³⁹ There are additional Carters and Mitre 10 stores in Waipukurau, as well as a small ITM store in Wairoa.

⁴⁰ Based on estimated market shares of sales revenue for the supply of building products by merchants (ie excluding sales by specialists and other suppliers).

- 79.1 Several regional trade customers in Hawke’s Bay told us that they use one of PlaceMakers,⁴¹ Tumu,⁴² Carters,⁴³ and Mitre 10⁴⁴ as their main supplier.
 - 79.2 Several trade customers told us they use Bunnings for a smaller portion of their supplies.⁴⁵
 - 79.3 The majority of trade customers told us that despite having one main supplier, they could or would switch to purchasing (or increase the amount of product that they already purchase) from an alternative supplier if their main supplier raised prices or reduced quality.
 - 79.4 Overall, regional trade customers in Hawke’s Bay consider the supply of building products to trade customers in Hawke’s Bay to be competitive and did not raise material concerns about the Proposed Acquisition. Evidence from customers in Hawke’s Bay suggests that in response to any efforts by the merged entity to reduce any aspects of service quality post-Acquisition (eg, delivery times, service) a significant portion of customers could switch to rival merchants.
80. The evidence, taken as a whole, suggests that trade customers in Hawke’s Bay have two viable alternatives to the merged entity in Carters and Mitre 10 who will provide a strong constraint on the merged entity. Bunnings will also provide some constraint.
81. For these reasons, we consider that the constraint provided by other merchants⁴⁶ in Hawke’s Bay means that in the supply of building products in the Hawke’s Bay region the merged entity is unlikely to be able to profitably increase prices above, or reduce quality below, the level that would prevail without the Proposed Acquisition.
82. We have not found it necessary to reach a view on the general likelihood of entry and/or expansion by other competitors, given the constraint that the merged entity would face from existing competitors.⁴⁷

⁴¹ Commerce Commission interviews with [redacted].

⁴² Commerce Commission interviews with [redacted].

⁴³ Commerce Commission interviews with [redacted].

⁴⁴ Commerce Commission interviews with [redacted].

⁴⁵ Commerce Commission interviews with [redacted].

⁴⁶ It has not been necessary to reach a concluded view on the level of out-of-market constraint imposed by non-merchants given our conclusion that constraint from existing merchants is sufficient to constrain the merged entity.

⁴⁷ [redacted].

Coordinated effects: would the Proposed Acquisition make coordination more likely?

83. An acquisition can substantially lessen competition if it increases the potential for the merged entity and all or some of its remaining competitors to coordinate their behaviour and limit competition by raising prices, reducing quality, and/or dividing up the market between them. Unlike unilateral effects, which can arise from the merged entity acting on its own, coordinated effects require some or all of the firms in the market to be acting in a coordinated way.⁴⁸ Coordination can also occur in a ‘tacit’ manner; in other words, where the parties are able to coordinate through implicit understanding, but without any formal arrangement or explicit communication between them.

The Applicant’s submissions

84. In the Application, FDL submitted that the Proposed Acquisition would not be likely to substantially lessen competition in the relevant markets through coordinated effects due to the numerous competitors that would remain, as well as because:⁴⁹
- 84.1 tacit coordination between competitors would be impossible where quoted pricing is specific to particular jobs; and
 - 84.2 given the thousands of different products stocked in each building supplies store, it would be practically impossible for competitors to continuously reach, monitor and enforce any unspoken understanding or agreement between them about the shelf prices for individual products.

Our assessment

85. We are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition due to coordinated effects in any markets for the supply of building products to Hawke’s Bay and Wairarapa customers. The evidence collected does not indicate that any markets for the supply of building products by merchants in Hawke’s Bay and Wairarapa are particularly prone to coordination. The fact that the Tumu stores will cease to be independent competitors to Carters, Mitre 10 and Bunnings with the Proposed Acquisition is unlikely to change conditions in the markets for the supply of building products by merchants to regional trade customers in the Hawke’s Bay and Wairarapa regions in a way that makes it easier for competitors to coordinate their behaviour.
86. We considered whether there is any evidence that the Tumu stores act as particularly aggressive or destabilising competitors in the relevant regional markets. Destabilising firms typically have a particular ability or incentive to compete aggressively in a market, for example, by failing to follow their competitors’ price increases, or actively disrupting the market through innovation and the introduction of a new technology or business model. Such behaviour makes coordination between remaining competitors more difficult, as these firms tend to deviate from their rivals and disrupt attempts by competitors to coordinate. There is little

⁴⁸ *Mergers and Acquisitions Guidelines* above n1 at [3.84].

⁴⁹ The Application at [127].

evidence to suggest that the Tumu stores are destabilising competitors, such that their acquisition by PlaceMakers would make coordinated behaviour in the market more likely. Only one customer in the Wairarapa region referred to the Tumu stores as an aggressive competitor.⁵⁰

87. Features of the markets for the supply of building products by merchants to regional trade customers in the Hawke's Bay and Wairarapa regions may make them less vulnerable to coordination. In particular:
- 87.1 prices charged by merchants to trade customers are not readily observable (both before and after any rebates). All else being equal, if competitors are able to readily observe each other's prices, it becomes easier for them to coordinate their pricing behaviour;
 - 87.2 the demand for building supplies rises and falls over time. Unstable demand for building supplies makes it less likely that firms will be able to coordinate their behaviour;⁵¹ and
 - 87.3 merchants are not all of a similar size and do not necessarily have the same cost structures, due to different ownership and business models. If competitors in a market have different sizes and cost structures, it can make coordinated conduct between those competitors less likely.
88. The Proposed Acquisition is unlikely to change any of these market features.

Vertical or conglomerate effects: would the merged entity be able to foreclose rivals?

89. We have also considered whether the Proposed Acquisition could substantially lessen competition through vertical or conglomerate effects.
90. Vertical mergers are mergers between firms operating at different levels of a product's supply chain (for example, the merger of the manufacturer/supplier of a product and a merchant of that product). Conglomerate mergers are mergers between firms that supply products that are not substitutes for each other, but which may relate to each other; for example, products that are complementary.⁵²
91. The potential consequences for competition that flow from vertical and conglomerate mergers are known respectively as vertical and conglomerate effects.
92. Both vertical mergers and conglomerate mergers may increase a merged firm's ability and/or incentive to foreclose competitors.
- 92.1 In the case of vertical mergers, this may occur where the merged entity:

⁵⁰ Commerce Commission interview with [].

⁵¹ Demand for building supplies is ultimately linked to overall building activity in the construction sector. Given that building activity tend to rise and fall over time, this consequently leads to variability in demand for building supply products.

⁵² *Mergers and Acquisitions Guidelines* above n1 at [5.3].

92.1.1 refuses to supply an input, or raises the price of an input, to a firm that competes in a downstream market; or

92.1.2 disadvantages a competitor in an upstream market by limiting that competitor's access to customers.

92.2 In the case of conglomerate mergers, this may occur where, for example, the merged entity provides discounts where customers buy products together rather than separately (bundling), or refuses to sell one product to customers unless they also buy a second product from it (tying). These strategies could mean that competitors that cannot sell the same range of products as the merged firm may no longer be able to effectively compete with the merged entity and constrain it from attempts to raise prices or lower quality for the product(s) that both firms sell.⁵³

The Applicant's submissions

93. In the Application, FDL submitted that the Proposed Acquisition would not be likely to substantially lessen competition in the relevant markets due to vertical or conglomerate effects because:⁵⁴

93.1 the Proposed Acquisition does not result in any material change in vertical integration; and

93.2 given the broadly similar product range supplied by each of the parties, conglomerate effects are not relevant.

Our assessment

94. We are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition due to vertical or conglomerate effects in any markets for the supply of building products to Hawke's Bay and Wairarapa trade customers.

95. In terms of vertical effects, the merged entity would operate at both the manufacturer/supplier level (through its links with the broader Fletchers Group), and at the merchant level (through its ownership of PlaceMakers and Tumu stores). We considered whether the Proposed Acquisition would give the merged entity an enhanced ability to refuse to supply products to competing merchants, instead favouring its own PlaceMakers and Tumu stores, and thereby reducing its competitors' ability to compete.

96. We are satisfied this scenario is not likely. FDL is already vertically integrated into the Fletchers Group, meaning it is already part of a group operating at both the manufacture/supply and merchant levels. We are satisfied that the acquisition of the Tumu stores would not give the merged entity a greater ability to refuse to supply products to competing merchants. The only additional manufacture/supply capability that FDL will gain as a result of the Proposed Acquisition is in frame and

⁵³ *Mergers and Acquisitions Guidelines* above n1 at [5.4] and [5.11]-[5.14].

⁵⁴ The Application at [128]-[129].

truss in Hastings. We are satisfied that there are other manufacturers/suppliers of frame and truss (Carters in Hawke’s Bay, and Capital Pre-cut in Masterton) if the merged entity decided not to supply its frame and truss to competing merchants.

97. In terms of conglomerate effects, we considered whether the Proposed Acquisition would increase the merged entity’s ability to offer bundled or tied products, in circumstances where its competitors could not sell the same range of products as the merged entity, such that they would no longer be able to effectively compete with the merged entity. We are satisfied that the Proposed Acquisition will not give the merged entity any greater ability to bundle or tie different products together. Competitors of the merged entity will continue to be able to respond with their own bundled or tied products, to the same extent that they can now.

Competition analysis – supply of building products by merchants to national trade customers

98. Some customers of building supplies, such as GHBs, operate on a national or multi-regional basis. We refer to these customers as ‘national trade customers’. These national trade customers typically have a national office but may also operate franchise models. National trade customers may maintain national accounts with merchants for purchasing building supplies. They may also reach agreements with merchants at a national level to designate a merchant a ‘preferred supplier’. Merchants compete at the national level to be designated a preferred supplier to a national trade customer.
99. We assessed whether the Proposed Acquisition would be likely to substantially lessen competition in a market for the supply of building products to national trade customers by assessing whether any horizontal unilateral, vertical, or conglomerate effects might result from the Proposed Acquisition.
100. We considered whether, in order to effectively compete for national trade customers, it is necessary for merchants to have a footprint of stores across every region of the country, in order to meet a national customer’s demand for access to, and cost-effective delivery of, building supplies across New Zealand. In this context, we considered whether FDL’s acquisition of the Tumu stores decreases ITM’s ability to compete in the national market to such an extent that the level of competition in that market is substantially lessened, compared to a counterfactual where the Tumu stores are available to the ITM network when it competes for national trade customers.⁵⁵
101. For the reasons set out below, we are satisfied that the Proposed Acquisition will not have, and would not be likely to have, the effect of substantially lessening

⁵⁵ [

competition in any relevant markets for the supply of building products to national trade customers.

The Applicant's submissions

102. FDL submitted that the Proposed Acquisition would not lessen competition, substantially or otherwise, in any national market for the supply of building products to national trade customers. This is because:
- 102.1 the absence of the Tumu stores from ITM's network would not result in ITM being unable to effectively supply national trade customers. ITM will still have a presence in the Wairarapa (ITM Greytown) and be able to supply into Dannevirke (via ITM Palmerston North and ITM Fielding);
 - 102.2 ITM would not be prevented from competing for national trade customers due to it losing access to the Tumu stores in Hawke's Bay and Gisborne. Even in the unlikely scenario in which ITM was unable to provide services to national trade customers in this region over the longer term, the impact on competition for national trade customers would likely be immaterial given the small proportion of total GHB builds that take place within the region;
 - 102.3 ITM is able to re-enter the regions in question, and has publicly stated its intention to do so; and
 - 102.4 there are other competitors in the market that GHBs can use, including Carters, Bunnings, and Mitre 10.

Unilateral effects - would the merged entity be able to profitably raise prices by itself?

103. The Proposed Acquisition could substantially lessen competition in the national market if it decreases ITM's ability to compete in the national market to such an extent that the level of competition in the market is substantially lessened, compared to a counterfactual where the Tumu stores are available to the ITM network when it competes for national trade customers.
104. We are satisfied that the Proposed Acquisition will not substantially lessen competition in the national trade market.
105. First, we are satisfied that ITM will continue to be able to effectively compete for national trade customers post-Acquisition:
- 105.1 Evidence from merchants (PlaceMakers, Carters, ITM, Mitre 10, Bunnings) indicates that network coverage is relevant to a degree in winning national customers,⁵⁶ but that coverage in all areas of New Zealand is not essential to

⁵⁶ [] told us that ultimately whether full national geographic coverage is necessary to compete for GHB opportunities will depend on the customer, but indicated that it "is likely to be beneficial and an advantage to have full regional geographic coverage from a cost (including delivery) and customer service perspective." Email from [].

supply national customers.⁵⁷ Indeed, despite the significant gaps that PlaceMakers and Carters have in their networks across New Zealand, they are still significant suppliers to national trade customers and have been effectively competing to date to supply national trade customers. This suggests that ITM would similarly still be in a position to compete for the business of national trade customers with the Proposed Acquisition. Even without the Tumu stores in its network, ITM has a network of 90 stores across New Zealand. In comparison, Mitre 10 has 84 stores (excluding Hammer Hardware) and PlaceMakers 62 stores.

105.2 Overall, national trade customers did not raise concerns about the Proposed Acquisition. Rather, feedback from those customers indicates that ITM is not likely to be rendered substantially less competitive by no longer having the Tumu stores in its national network. A majority of GHB customers that we spoke with considered that ITM would continue to be able to compete for national customers post-Acquisition.⁵⁸

105.3 The effect of having no merchant stores in a particular region is likely to be strongest in respect of customers that perform work in that region. That is, customers that do not build in Hawke’s Bay/the Wairarapa are less likely to consider it a disadvantage that a merchant does not have a store presence in those regions.⁵⁹ The areas in which the Tumu stores operate account for a small proportion of total GHB builds nationally.⁶⁰

106. Second, there are other significant competitors in the national trade market. Market share figures provided by FDL and qualitative evidence both indicate that Carters and ITM are major suppliers to national trade customers. Mitre 10
[

].⁶¹

107. Third, evidence from national trade customers supplied by each of FDL, Carters and ITM confirms that many national trade customers source building products from more than one merchant (with some having a primary and secondary supplier which they may use in areas where their main supplier is not present or unable to supply for some reason). Supply arrangements between merchants and national trade customers are not generally exclusive. This purchasing approach gives national trade customers supply options.

⁵⁷ [] told us that in some parts of the country it has limited or no store coverage. Despite this, it says that a “lack of national coverage has not been a limitation for [] in acquiring GHB accounts”. Where it does not have a store in a region, it says that the GHBs in question can “source from other merchants”, or alternatively that “delivering into the region is also an option”. Email from []

⁵⁸ [] and []. Email from []

⁵⁹ Emails from []

⁶⁰ FDL and Tumu’s joint submission to our Statement of Issues (30 June 2022) at [Table 1] citing data on GHB consents from May 2021 to April 2022 received from BCI Central.

⁶¹ Commerce Commission interview with []

108. For the reasons set out above, we consider that the Proposed Acquisition will not substantially lessen competition in the national trade market for the supply of building products by merchants to national trade customers.

Coordinated effects: would the Proposed Acquisition make coordination more likely?

109. We considered whether the Proposed Acquisition would be likely to substantially lessen competition due to coordinated effects in the market for the supply of building products by merchants to national trade customers. This could occur where the Proposed Acquisition increases the potential for all or some of the remaining competitors in the market to coordinate their behaviour and limit competition by raising prices, reducing quality, and/or dividing up the market between them.
110. We are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition due to coordinated effects in the market for the supply of building products by merchants to national trade customers. The Proposed Acquisition is unlikely to materially change the competitive dynamics in the market since ITM will remain an effective competitor and supply option for national trade customers.

Vertical or conglomerate effects: would the merged entity be able to foreclose rivals?

111. We have also considered whether the Proposed Acquisition might substantially lessen competition in any relevant markets for the supply of building products to national trade customers due to vertical or conglomerate effects. We are satisfied that this is unlikely. This is because (as with regional customer markets):
- 111.1 in terms of vertical effects, the Proposed Acquisition is unlikely to give the merged entity the ability to restrict rival merchants' access to products and customers so as to reduce their competitiveness in the national trade customer market; and
- 111.2 in terms of conglomerate effects, the Proposed Acquisition would not result in changes to the extent to which the merged entity would have any 'must have' products that it could bundle or tie in a way so as to hinder the ability of rivals to compete in the national customer market.

Competition analysis – manufacture and supply of frame and truss

112. We assessed whether the Proposed Acquisition would be likely to substantially lessen competition in any relevant market(s) for the manufacture and supply of frame and truss.
113. For the reasons set out below, we consider that the Proposed Acquisition will not have, and would not be likely to have, the effect of substantially lessening competition in any relevant markets for the manufacture and supply of frame and truss.

The Applicant's submissions

114. In the Application, FDL submitted that the Proposed Acquisition would not be likely to substantially lessen competition in any relevant frame and truss markets due to unilateral effects because:⁶²

114.1 the Proposed Acquisition would only increase FDL's market share by a relatively modest percentage; and

114.2 several competitors would remain in the market.

Unilateral effects - would the merged entity be able to profitably raise prices by itself?

115. The impact of the Proposed Acquisition on any markets for the manufacture and supply of frame and truss is likely to be minimal. The Proposed Acquisition is unlikely to change conditions in the supply of frame and truss, even if the geographic scope of any market for the manufacture and supply of frame and truss was narrower than the North Island. Merchants and customers would continue to have alternative options to the merged entity for the supply of frame and truss.

115.1 FDL and Tumu only overlap in the manufacture and supply of frame and truss in Hawke's Bay. Tumu manufactures frame and truss in Hastings, while FDL supplies frame and truss in Hawke's Bay from its plant in Taupō. However, the evidence suggests that FDL and Tumu are not close competitors in the supply of frame and truss in Hawke's Bay (assuming they even compete). In Hawke's Bay, Carters also exists as a local manufacturer and supplier of frame and truss, and independent frame and truss manufacturers supply into Hawke's Bay from other regions.⁶³

115.2 Tumu does not supply the frame and truss it manufactures outside of Hawke's Bay. Tumu Masterton currently sells frame and truss supplied by an independent frame and truss manufacturer, Capital Pre-cut Solutions. It has other parties through which it can sell frame and truss in the event that FDL switched to selling its own frame and truss through Tumu Masterton.⁶⁴

115.3 Customers raised no concerns about the Proposed Acquisition negatively impacting on the supply of frame and truss, even though some customers have a preference for buying from local manufacturers.⁶⁵

⁶² The Application at [113] and [117].

⁶³ In Hawke's Bay, Mitre 10
[

]. Commerce Commission interview with []. Frame and truss is transported to Hawke's Bay from as far afield as Auckland. Commerce Commission interview with [].

⁶⁴ Commerce Commission interview with [].

⁶⁵ See, for example, Commerce Commission interview with [] and Commerce Commission interview with [].

Vertical or conglomerate effects: would the merged entity be able to foreclose rivals?

116. We have also considered whether the Proposed Acquisition might substantially lessen competition in any relevant markets for the manufacture and supply of frame and truss due to vertical or conglomerate effects. We are satisfied that this is unlikely. This is because:

116.1 in terms of vertical effects, the Proposed Acquisition is unlikely to give the merged entity the ability to restrict other frame and truss manufacturers from accessing distribution networks if the merged entity decided to stop stocking competing frame and truss products through its merchant store network. There are other distribution options for competing frame and truss manufacturers/suppliers; and

116.2 in terms of conglomerate effects, the Proposed Acquisition would not result in changes to the extent to which the merged entity would have any 'must have' products that it could bundle or tie in a way so as to hinder the ability of rivals to compete in any national customer market.

Coordinated effects: would the Proposed Acquisition make coordination more likely?

117. We are satisfied that the Proposed Acquisition is unlikely to substantially lessen competition due to coordinated effects in any relevant markets for the manufacture and supply of frame and truss to customers in Hawke's Bay and Wairarapa regions.

118. We consider that the Proposed Acquisition is unlikely to make coordination in the supply of frame and truss in Hawke's Bay more likely. As noted above the Proposed Acquisition would only increase FDL's market share by a relatively modest percentage. The Proposed Acquisition would also not remove in FDL a particularly disruptive supplier, given that FDL only supplies frame and truss through its PlaceMakers stores and does not compete to supply other merchants.

Determination on notice of clearance

119. Under section 66(3)(a) of the Commerce Act 1986, the Commerce Commission determines to give clearance to Fletcher Distribution Limited, or an interconnected body corporate of FDL, to acquire up to 100% of the shares in, or assets of, Tumu Gisborne Limited, Tumu Napier Limited, Tumu Hastings Limited, Tumu Havelock North Limited, Tumu Dannevirke Limited, Tumu Masterton Limited and Tumu Frame and Truss Limited.

Dated this 27th day of July 2022

Anna Rawlings
Chair