



## Pernod Ricard New Zealand

12 August 2024

### **PERNOD RICARD NZ RESPONSE TO THE STATEMENT OF UNRESOLVED ISSUES – PROPOSED MERGER OF FOODSTUFFS NORTH ISLAND AND FOODSTUFFS SOUTH ISLAND**

As one of the largest producers of wine in New Zealand, with iconic brands including Brancott Estate, Montana, Stoneleigh and Church Road, and an importer of premium wine, spirits and Champagne, Pernod Ricard is a significant supplier to the grocery sector.

Pernod Ricard has always had strong relationships with retailers in New Zealand and we have robust, fair and respectful negotiations in relation to the sale of our products to retailers, who in turn sell to New Zealand consumers. This includes with Foodstuffs North Island Limited and Foodstuffs South Island Limited and we support the proposed merger between them.

We submit that as a locally owned and operated business, Foodstuffs should be permitted to operate nationally just as The Warehouse and Woolworths do. It is our view that size and scale can unlock efficiencies that would be beneficial for consumers. Further, the merger will lead to greater efficiency for our business in servicing and engaging with one head office instead of two. In our experience, the last Foodstuffs merger between Auckland and Wellington resulted in greater efficiency and more effective operations.

As mentioned in the Statement of Unresolved Issues, our understanding was that the Grocery Industry Competition Act was introduced to address instances of competition issues and improve outcomes for New Zealanders. We do not see that this is materially changed by the merger.

In our vast experience, the success of our innovations and commercial negotiations are not impacted by whether there are three or two grocers, but rather on the individual merits and strength of our proposals.

If you would like to discuss any of the above with us, we are happy to be contacted at [REDACTED] or [REDACTED]

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