

COMMERCE COMMISSION

buildingsuppliesmarketstudy@comcom.govt.nz.

4 February 2022

RE: Residential Building Supplies Market Study – Preliminary Issues Paper

Steel & Tube welcomes the decision by the Minister of Commerce to carry out a market study under section 3A of the Commerce Act 1986 into any factors that may affect competition for the supply or acquisition of key building supplies used to build the major components of residential buildings.

The Commerce Commission has released a preliminary issues paper in connection with this market study and sought responses from interested parties. This letter contains Steel & Tube's response to the Commerce Commission on the preliminary issues paper.

Key building supplies processed and sold by Steel & Tube

Steel & Tube is an industry participant involved in the processing and distribution of key building supplies throughout New Zealand.

As well as the sale of key building supplies, Steel & Tube has factories that carry out the secondary processing of manufactured steel products. Secondary processing includes the cutting and bending of steel reinforcing bar, the manufacture of steel reinforcing mesh from wire and the rollforming of metal coil.

Upstream market structure

The steel used by Steel & Tube is sourced from New Zealand Steel Limited and Pacific Steel Limited (both members of the Bluescope group of companies) or is imported from carefully selected steel mills within the Asia Pacific region. Product sourced from New Zealand Steel and Pacific Steel is manufactured locally at the Glenbrook Steel Mill.

The price paid by Steel & Tube for this unprocessed steel fluctuates over time and is closely related to the international price of steel.

Downstream market structure

Steel & Tube has a varied customer base for products that ultimately end up in residential buildings. It includes building owners and developers, main building contractors, specialist trades including roofers and concrete installers, steel fabricators and building supplies merchants.

Steel & Tube faces stiff competition from a range of other steel processing and distribution organisations. These include multinational corporates, significant longstanding private companies and a host of small to medium enterprises with niche market and/or regional footprints. The market for the processing and distribution of steel for use in residential building is vigorous and competitive.

Ngā mihi nui



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