

**From:** Justin Jeans <[REDACTED]>  
**Sent:** Saturday, 20 April 2024 9:23 am  
**To:** Registrar  
**Subject:** Foodstuffs merger (LATE SUBMISSION)

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As an ordinary kiwi I am vehemently opposed at the proposal to allow the Foodstuffs merger. After reading submissions for the application I am making my concerns known.

The Prime Minister of Aotearoa New Zealand himself is repeatedly voicing statements that everyday kiwi's are doing it tough and struggling severely under the effects of the cost of living crisis, tough economic climate and gloomy short-term financial outlook. Indeed, the circumstances of many families will only worsen as thousands of public sector workers are made redundant in the government crusade to reduce back office spending and re-prioritisation.

So what conscionable justification for the merger is there? How do kiwi shoppers truly stand to benefit from it? There is barely anything in Foodstuffs claims to rebuke the obvious conclusion that this is a manoeuvre out of sheer greed, primarily through a serious lack of serious competition allowing Foodstuffs to artificially dictate pricing terms and availability of products. The negative effects of which would be significantly worsen if the merger was somehow allowed to proceed.

The burden is on the applicants to clearly prove that the proposed merger (and ideally applicable to the entire retail grocery space as a whole) results in:

- (a) appreciable, sustainable and on-going reduction to prices and increased choice of products and services to consumers;
- (b) a market free of any undue influence by retailers over their suppliers;
- (c) a clear incentive to continuously innovate to improve the shopping experience; and
- (d) fostering genuine market competition, including removing barriers or any advantage by incumbents that would reasonably prevent any new entrants to the market – or conditions that lead to retailers to exit the market.

In the case of (a), any approval of the merger runs contrary to popular economic theory that dictates a lessening of competition (in this case through consolidation of 'competitors' – which itself is debatable) leads to inflated retailer profits to the very detriment of the consumer.

For (b) they must provide exhaustive evidence that such a merger, resulting in a clear reduction of competitors in an already tiny market, would not provide the merged entity any unfair market advantage nor opportunity to abuse their increased bargaining power against suppliers who would now have reduced choice of retailers with which to sell to and thereby lessen their leverage in negotiations of pricing and supply.

In the case of (c) there should be tangible efforts to remove barriers to the use of new technologies to fast track delivery of new and improved services to customers including use of suitable third-party vendors to derive, including:

(1) Free real-time information of pricing and availability of goods or services in a format that is readily usable and in an open format (API) to enable independent, third-party services (e.g. Gaspy) that allow ready comparison and availability for any number of products to users to allow pricing transparency. For disclosure: This is a commercial venture I am looking to develop

Finally, the introduction of additional competitors is far more likely to lead to the greater, long-term positive outcomes than the applicant's stated benefits from the merger. In the case of (a), (b) and (c) any consolidation of market share is both counter-intuitive and contrary to such desired outcomes. Therefore strong preference should be placed on (d) to create a healthy and competitive market.

The applicant's submission that stated cost efficiencies would be passed onto consumers is pure folly. Any potential savings to the consumer would be entirely at their discretion and any such examples would likely 'cherry picked' to prove

and all but impossible to prove due to conveniently 'market sensitive information;'. It's This runs worryingly, suppliers, who simply cannot negotiate fairer margins due to combined market clout of the small number of retailers.

Kind regards,

JJ