

# MEDIA RELEASE



**20 May 2022**

## **Pact Group's acquisition of Synergy Packaging not opposed**

The ACCC will not oppose the proposed acquisition of Synergy Packaging Pty Ltd by Pact Group Holdings Ltd (ASX:PGH).

Both Pact and Synergy manufacture and supply non-beverage rigid PET plastic containers.

“Our investigation concluded that Pact is not a close competitor of Synergy and the acquisition was not likely to substantially lessen competition,” ACCC Commissioner Stephen Ridgeway said.

“Synergy offers short product runs to small and medium business customers, and Pact primarily services larger customers with high volume orders.”

The ACCC also considered that Pact would continue to be constrained by a number of rival manufacturers following the acquisition.

The ACCC further concluded that the acquisition by Pact and its involvement in the production of recycled PET raw materials in Australia would not allow it to block Synergy's competitors from accessing recycled raw materials, including because imported recycled PET materials would remain available.

“The acquisition of Synergy would not materially change Pact's ability or incentive to supply rivals with recycled PET raw materials,” Mr Ridgeway said.

Some customers of Synergy expressed a concern that Pact may shift Synergy's strategy to service larger customers at the expense of customers requiring lower volumes. The ACCC considered it unlikely that Pact would have an incentive to stop supplying smaller customers because Synergy's equipment is primarily suitable for customers with lower volumes. In any event, the ACCC considers that alternative suppliers would remain for those customers. More information is available at the ACCC's register: [Pact Group Holdings Ltd - Synergy Packaging Pty Ltd](#)

“Our decision not to oppose is based on the specific facts and circumstances of this acquisition and does not indicate that we would reach the same conclusion regarding future acquisitions in the plastic packaging industry,” Mr Ridgeway said.

### **Notes to editors:**

In considering the proposed acquisition, the ACCC applies the legal test set out in section 50 of the Competition and Consumer Act.

In general terms, section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

### **Background**

Pact is listed on the ASX and manufactures a diverse range of plastic and non-plastic packaging products. Pact's product range includes rigid plastic food containers, polyethylene

terephthalate (PET) and high-density polyethylene (HDPE) bottles, jars, tubes, jerry cans, cubes, pails, plastic and steel drums, trays and closures.

Synergy Packaging is a Victorian-based manufacturer of non-beverage rigid PET containers which it supplies mainly to small health and personal care businesses.

**Media enquiries: 1300 138 917**

**Email: [media@acc.gov.au](mailto:media@acc.gov.au)**

**[acc.gov.au/media](http://acc.gov.au/media)**