



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE THE PROPOSED ACQUISITION OF THREE SUPA IGA STORES IN WA BY COLES

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The Australian Competition and Consumer Commission has announced that it will not oppose the proposed acquisition of three Progressive Supa IGA supermarkets by Coles/Wesfarmers (ASX: WES). Metcash Limited (ASX: MTS) has a 45 per cent interest in the Progressive supermarkets.

The supermarkets are located in Bunbury, Halls Head, and Dianella in Western Australia. The Halls Head store also has an attached liquor licence.

“The ACCC noted community concerns that the proposed acquisition would remove Progressive’s differentiated offering from the local areas,” ACCC Commissioner Dr Jill Walker said.

“However, in each of the local markets around these three stores, there is at least one large competitive independent offer, in addition to Woolworths’ supermarkets.”

“The ACCC also took into account information that suggested that Aldi would be likely to enter some of the relevant markets in the coming years as part of its expansion into Western Australia,” Dr Walker said.

The ACCC analysed the competitive dynamic that would likely exist if the acquisition by Coles does not proceed, noting the decline in sales at the Progressive stores and the potential for the stores to be closed without the acquisition. The ACCC also noted Metcash’s willingness to sell the stores, despite the fact that Metcash will lose grocery sales at the wholesale level.

For these reasons, the ACCC concluded that the proposed acquisition of these three stores is not likely to result in a substantial lessening of competition in the relevant local markets for supermarket retailing.

The ACCC has also considered Coles’ proposed acquisition of the Progressive Supa IGA supermarket in Busselton. Coles has not sought an ACCC view on the Busselton acquisition at this time, as it is seeking to provide further information to the ACCC. The ACCC will reconsider Coles’ proposed acquisition of the Busselton supermarket when this information is received.

Further information is available at www.accc.gov.au