



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC OPPOSES GPC'S PROPOSED ACQUISITION OF COVS PARTS

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The Australian Competition and Consumer Commission has decided not to clear the proposed acquisition by GPC Asia Pacific Pty Limited (GPC) of the Covs Parts business (Covs Parts) from Automotive Holdings Group Limited (AHG) (ASX:AHG).

"Repco and Covs Parts are the two largest generalist suppliers of automotive parts to trade customers in Western Australia and are each other's closest competitor. The removal of Covs Parts would likely result in a substantial lessening of competition," ACCC Chairman Rod Sims said.

GPC is a distributor and retailer of automotive parts and accessories to trade and retail customers in Australia and New Zealand, through its Repco and Ashdown-Ingram brands. In Western Australia, GPC owns 36 Repco stores and eight Ashdown-Ingram branches. Covs Parts operates a 25 branch network in Western Australia and supplies a broad range of automotive parts and accessories, primarily to trade customers.

GPC is proposing to acquire the company that owns and operates Covs Parts stores across 16 locations in the greater metropolitan Perth region, and in the regional towns of Albany, Bunbury, Busselton, Esperance, Geraldton, Kalgoorlie, Karratha, Mandurah and Port Hedland.

"Trade customers such as mechanic workshops have raised concerns that the proposed acquisition would result in GPC acquiring its closest competitor," Mr Sims said.

"In particular, the ACCC has received market feedback about the potential for the combined GPC/Covs Parts business to raise the trade prices of automotive parts."

The ACCC made inquiries with a range of interested parties, including trade customers, specialist automotive parts suppliers, dealerships and retail-focused automotive parts suppliers in Perth and each of the regional towns. Market inquiries indicated that trade customers are heavily reliant on GPC and Covs Parts for their supply of automotive parts, particularly in regional towns, with limited other local options.

The ACCC intends to issue a public competition assessment in due course. Further information is available from the public register.

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