

Australia's Woolworths Group to acquire Beak & Johnston

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The ACCC will not oppose Woolworths Group Limited's proposed acquisition of Beak & Johnston Holdings Pty Ltd (B&J).

Woolworths currently holds a minority 23 per cent interest in B&J City Kitchen Pty Ltd, a subsidiary of B&J, which manufactures ready meals and pastries for wholesale and retail sale. The proposed acquisition will result in Woolworths ultimately owning 100 per cent of B&J's subsidiaries, including Beak & Johnston NZ Pty Ltd. The New Zealand Commerce Commission (NZCC) is also considering a clearance application from Woolworths for its proposed acquisition of B&J.

The ACCC considered whether rival ready meal producers to B&J could continue to maintain competitively effective operations even if Woolworths only stocked or otherwise advantaged B&J's products.

“Our investigation found that while Woolworths has significant bargaining power in its dealings with ready meal suppliers, in this case, it was unlikely the acquisition would have a substantial anti-competitive effect,” ACCC Commissioner Dr Philip Williams said.

“Rival suppliers of ready meals will continue to have access to other supermarkets and convenience stores. Ready meal suppliers can also distribute through other channels, such as food service wholesaling and direct-to-consumer models.”

The ACCC also investigated whether Woolworths would have the incentive to prevent the supply of B&J products to rival retailers and any associated impact on competition.