Z Energy plans to buy Caltex in New Zealand may raise antitrust eyebrow: press report

Z Energy shares jumped over 20% hours just after its plan to purchase New Zealand's Caltex was announced, raising concerns which include the possibility that the transaction may not be allowed by antitrust authorities as competition could be seriously hurt, according to a report in The Business Herald published on June 3 by reporter Christopher Adams.

"One fund manager, who requested anonymity, said that while the deal was a boon for shareholders it was not such good news for consumers as Z had already been pushing back against competition to improve margins and maximize returns," according to the report which cites fuel importer margins already increasing by 40% in the past two years.

New Zealand also has the second-highest petrol prices, before tax, in the OECD group of developed countries, report said.

Chevron New Zealand, owner of Caltex, operates 146 Caltex and Challenge service stations and 73 truck filling sites while Z already has more than 210 service stations and 92 truck stations.

Z chief executive Mike Bennetts had said the $785 million planned transaction over Caltex sites would not be lead to any rebranding, according to the report.

Chevron has already sold 50% of Caltex assets in Australia, the report said.

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