



Japan: Idemitsu, Showa Shell merger creates wholesale powerhouse

Together with JXTG Holdings, the new entity will dominate the domestic gasoline sales market in Japan.

Idemitsu Kosan Co., Japan's second-largest oil wholesaler, and number four Showa Shell Sekiyu K.K. merged on Monday, creating a giant player for the Japanese market, reports The Japan Times.

A highly competitive market suffering from a decreasing gasoline demand has pushed the two Japanese companies to join strengths. With combined sales of over ¥5.8 trillion (\$52 billion), the new entity will compete head to head with industry leader JXTG Holdings Inc., which was formed in 2017 through a merger of JX Holdings Inc. and TonenGeneral Sekiyu K.K.

The new company formed will do business under the trade name Idemitsu Showa Shell. However, at gas stations, it will use the traditional brand names of Idemitsu and Showa Shell.

The company says it plans to develop oil refineries abroad, invest in renewable energy sources such as solar, wind and geothermal power, and develop new chemical products.

The merger was first announced in 2015 but it had to overcome several hurdles including differences in corporate culture.