

## New Zealand: Z Energy's \$785m takeover of Chevron gets green light from competition body

**The New Zealand Commerce Commission has approved Z Energy's bid to buy 100% of Chevron downstream assets in New Zealand such as Caltex and Challenge! gas station chains for NZ\$785 million (US\$ 734 million). However, as a condition, the Kiwi petroleum company must sell 19 of its retail sites and one truck-stop, according to Scoop Independent News.**

It was a delayed and split decision of 3:1 due to concerns of price collusion in some areas. Nonetheless, majority of the commissioners view that "the merged entity would face sufficient competition from remaining BP, Mobil, Gull and/or independent service station owners."

Z currently owns some 200 service stations while Caltex has 150 outlets. Chevron in New Zealand, moreover, has never engaged in aggressive pricing and merely followed the retail price movements dominated by Z, BP, Mobil, and Gull, according to the competition body.

Z chief executive Mike Bennetts welcomed the decision, which took 10 months, saying "as a local company we believe buying the business of a global company is good for New Zealand and it's now up to us to prove it."