Submission: Proposed Kegstar Acquisition of Konvoy

Date: 14 October 2025

Name:

Email:

Phone:

Submitting as:

I am responding to the Commerce Commission's request for further information regarding the proposed merger between Kegstar and Konvoy. I object to the merger because it would significantly reduce competition in a market that is already under financial strain.

Market Definition
I agree with the Commerce Commission's assessment of market conditions— it reflects my experience accurately.

My business relies solely on keg rental services and has previously sold its own keg stock to Kegstar at their request. We do not use plastic kegs, nor will we in future, for environmental reasons. The cost of alternatives does not change this position; environmental responsibility is a priority for us.

I have never been approached by any alternative supplier and am unaware of any other operating in New Zealand. Most businesses that once supported the brewing industry— aside from ingredient suppliers, NZ Customs, and Kegstar— appear to have closed.

Our business does not have the capital to establish its own keg fleet.

Counterfactual
If Konvoy's assets were sold to another party, they could go to a competitor rather than Kegstar, or be divided among smaller breweries to operate their own fleets. Either scenario would preserve or enhance competition.

Unilateral Effects
When Konvoy entered the market, Kegstar changed its pricing model from a daily hire rate to a fixed fee. This shift directly benefited keg hirers and demonstrated that competition drove better outcomes for customers.

The existence of two suppliers created a healthy and competitive market that benefited breweries.

Recommendation
I strongly recommend that the Commerce Commission decline Kegstar's acquisition of Konvoy and instead preserve an environment that allows for competition or new market entrants.

Regards,