

From: []
Sent: Monday, 26 January 2026 9:01 am
To: Registrar <Registrar@comcom.govt.nz>
Subject: Godfrey Hirst / Bremworth

Dear Commissioners,

Further to my earlier submission and correspondence, we welcome the opportunity to provide a further submission in response to the Commission's *Statement of Issues dated 23 December 2025*.

Our views remain unchanged: In our experience as a long-standing participant in the New Zealand flooring market, the proposed acquisition of Bremworth by Mohawk (through Godfrey Hirst) is likely to result in a substantial and permanent lessening of competition. See further detail outlined below.

1. Closeness of competition between Godfrey Hirst and Bremworth

Consistent with the Commission's current view, we consider Godfrey Hirst and Bremworth to be each other's closest competitors. This has been the case particularly in the supply of wool carpet (and likely to transpire into further competition in Nylon carpet) across broader residential and group housing applications.

Even where products differ by fibre or price point, the two brands:

- Compete for the same retail floor space,
- Respond to each other's pricing and range decisions,
- Provide retailers with a credible alternative when negotiating supply, pricing and service.

The loss of Bremworth as an independent competitor would materially reduce this competitive tension.

2. Bremworth remains a competitive constraint

We support the Commission's view that the most competitive counterfactual is Bremworth continuing to operate independently.

Recent leadership changes and the re-entry into synthetic carpet demonstrate that Bremworth is actively seeking to build further on market share and broaden its offering. While the scale of this re-entry is still developing, it reinforces that Bremworth remains a very real and improving competitive constraint, not a declining or failing firm.

Without the merger, we expect ongoing competition between the two manufacturers across pricing, product range and supply; to continue.

3. Imports do not provide an effective constraint in practice

While imported carpets form part of the market, our experience is that they do not provide a reliable or equivalent competitive constraint on domestic manufacturers, particularly for:

- Wool carpet,
- Repeat supply requirements,
- Group home and multi-site developments

- Projects requiring continuity of product over long period of time.

Imports typically involve longer lead times, exchange rate risk, limited ability to support ongoing replacement supply and reduced service responsiveness. For many customers, these limitations make imports an imperfect substitute rather than a true competitive alternative.

4. Retailers lack countervailing power

In practice, retailers do not have sufficient countervailing power to constrain a merged entity of this scale.

Retailers must stock credible, recognised brands with proven performance, continuity of supply and technical support. If the two dominant domestic manufacturers become one, retailers cannot realistically sponsor entry or shift volume quickly enough to prevent price increases or reduced service.

5. Structural and permanent market change

The proposed acquisition would reduce the New Zealand carpet manufacturing market from two major competing domestic suppliers to one.

Once manufacturing capacity, competition and institutional knowledge are consolidated or rationalised, they are unlikely to re-emerge. Any lessening of competition would therefore be long-lasting and irreversible.

Conclusion

For the reasons above, we remain very concerned that the proposed acquisition would substantially lessen competition in a significant section of the soft flooring market, to the detriment of retailers, installers, and consumers.

We encourage the Commission to continue to scrutinise the claimed constraints from imports, countervailing power and efficiencies, as these do not reflect the commercial realities we experience in the market.

We would be pleased to provide further information or clarification if this would assist the Commission.

Once again, I request that my name and company are redacted in any shared or published version of the above:

Yours sincerely

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