

From: []
Sent: Wednesday, 29 April 2026 10:29 am
To: Registrar <Registrar@comcom.govt.nz>
Subject: Godfrey Hirst / Bremworth – Further Submission in response to Statement of Unresolved Issues

Dear Commissioners,

We welcome the opportunity to provide a further submission in response to the Commission's Statement of Unresolved Issues dated 14 April 2026.

Our experience in the New Zealand flooring market supports the Commission's current view that the proposed acquisition raises significant competition concerns, particularly in relation to the supply of wool carpet and higher quality synthetic carpets.

We consider that the proposed acquisition would materially reduce competitive tension in the soft flooring market and may result in higher prices, reduced product choice, reduced innovation and increased supply risk; as summarised below:

1. Godfrey Hirst and Bremworth are close and important competitors

In our experience, it is clear that Godfrey Hirst and Bremworth are the two most significant competitors in the supply of carpet in New Zealand.

Even where product specifications differ, the two suppliers regularly compete for specification in residential and commercial projects as well as for group home builder supply arrangements.

Additionally, the two parties fiercely compete through pricing, rebates and promotional activity as well as product innovation and range development

The presence of two credible domestic manufacturers provides retailers with meaningful alternatives when selecting products for customers.

The removal of one of these suppliers would significantly reduce competitive tension across multiple product categories.

2. Imported carpet does not provide a sufficient competitive constraint

While imported carpet is available, it does not provide the same level of competitive constraint as domestic manufacturers, particularly for wool carpet.

Retailers require suppliers that can provide important ongoing aspects including:

- continuity of supply and reliable lead times
- consistent product quality and technical support
- replacement product availability for future repairs, insurance claims and extensions
- confidence in long-term product availability

Imported products often involve longer lead times, bulk order placements, foreign exchange risk and less certainty regarding ongoing availability.

In practice, imported wool carpet products do not provide the same breadth of range or continuity as domestic manufacturing.

For many applications, imported products are not viewed as a direct substitute for general domestic supply.

3. Retailers have limited ability to constrain large suppliers

Retailers must stock credible and recognised brands in order to meet customer expectations and remain competitive.

Many customers request specific brands or fibre types.

Retailers cannot easily replace major suppliers without risking loss of sales opportunities, reduced competitiveness in project tenders, inability to meet specification requirements and reduced customer confidence.

Because of this, retailers have limited practical ability to constrain large suppliers through switching.

4. Wool carpet remains an important segment of the market

Wool carpet continues to play an important role in the New Zealand flooring market, particularly in residential housing, higher value or architectural homes and more recently in government and commercial projects.

We are observing continued interest in wool carpet driven by sustainability considerations and environmental preferences.

Given this, competition in wool carpet supply remains important for ensuring ongoing product development and price discipline.

5. Loss of competition is likely to reduce innovation and product choice

It is our view that competition between suppliers encourages investment in some key factors including:

- new product development
- colour and texture innovation
- ongoing performance improvements
- improved sustainability initiatives
- marketing support for retailers

The removal of a key competitor reduces the incentive to innovate and maintain broad product ranges.

We note the Commission's concern that range consolidation may occur following the acquisition, reducing the number of choices available to retailers and end consumers.

6. Bremworth appears likely to remain a competitive constraint absent the acquisition

Based on publicly available information and market observations, we consider that Bremworth is likely to continue operating as a participant in the market, whether under current or alternative ownership.

Bremworth's re-entry into synthetic carpet indicates continued efforts to strengthen its competitive position.

Absent the acquisition, we would expect ongoing competition between Godfrey Hirst and Bremworth across multiple product segments.

Conclusion

In our view, the proposed acquisition would reduce the number of significant domestic competitors from two to one.

This would represent a structural change to the New Zealand soft flooring market and would likely result in reduced competitive tension in pricing, product development and supply. We therefore support the Commission's continued investigation of the potential for a substantial lessening of competition arising from the proposed acquisition. We would be pleased to provide any further information that may assist the Commission.

Regards,

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