

16 April 2026

**Beijer Ref Holdings Limited
Submission on Statement of Issues**

1. **INTRODUCTION**

- 1.1 This submission sets out Beijer Ref Holdings Limited's (**Beijer Ref**) response to the Commerce Commission's (**Commission**) Statement of Issues (**SOI**) dated 31 March 2026.
- 1.2 The Commission agrees with the Commission's preliminary views set out in the SOI on the following matters:
- (a) The Proposed Acquisition would not be likely to substantially lessen competition due to unilateral effects in any markets relating to the wholesale supply of air-conditioning units and/or air-conditioning componentry.
 - (b) The product markets which would best isolate the potential competition issues that might arise from the Proposed Acquisition are markets for the wholesale supply of:
 - (i) HFC Refrigerants;
 - (ii) refrigeration equipment; and
 - (iii) refrigeration componentry.
 - (c) Beijer Ref and Refspecs "are not particularly close competitors" for the wholesale supply of refrigeration equipment.¹
 - (d) Many 'branded' components from different manufacturers are interchangeable with one another such that componentry wholesalers can and do compete with one another for some trade customers.²
 - (e) The Proposed Acquisition would not be likely to substantially lessen competition due to coordinated effects in any relevant market.
 - (f) The Proposed Acquisition would not be likely to substantially lessen competition due to vertical/conglomerate effects.

Beijer Ref has not provided any further submissions on these matters.

- 1.3 The outstanding issues concern whether the Commission can be satisfied that the acquisition will not substantially lessen competition for the supply of HFC Refrigerants, refrigeration equipment or refrigeration componentry due to unilateral effects.

2. **NO SUBSTANTIAL LESSENING OF COMPETITION IN THE HFC REFRIGERANTS MARKETS**

- 2.1 The Commission states its main competition concern relates to the loss of existing competition between the Parties in the wholesale supply of HFC Refrigerants.
- 2.2 The Commission notes that:
- (a) the merged entity's share of the grandparented permits pool would increase to 45.9%;
 - (b) special permit holders do not have guaranteed volumes year-on-year; and

¹ At [91] of the SOI.

² At [103] of the SOI.

- (c) "many of the permit holders import HFC Refrigerants for their own use and so may not be direct competitors to the merged entity".

2.3 Beijer Ref responds that:

- (a) Special permit holders can and do compete with holders of grandparented permits. When determining who the rival wholesalers of HFC Refrigerants are, it would be wrong to disregard special permit holders simply because they do not have guaranteed volumes year-on-year. If special permits are awarded to a different party in a subsequent year, this would not alter the total volume of HFC Refrigerants that would be available to be imported and sold in that year. Instead, it would simply change the identity of the competitors that are supplying the HFC Refrigerants.
- (b) Schedule 1 of this Submission sets out the permits issued in 2026 (Grandparented and special permits combined). Beijer Ref and Refspecs' combined share of the 2026 permits is only 39.44169%.³ Given the post-merger three-firm concentration ratio is below 70%, and the merged entity's share of permits is less than 40%, this is within the Commission's concentration indicators. This figure includes Refspecs' special permits. Beijer Ref has no intention of applying for special permits in 2026 and does not imagine that the merged entity would be awarded special permits by the EPA if it did. Without any special permits, the merged entity's share of the 2027 permits would only be 36.74168%.
- (c) Most permit holders are wholesale suppliers of the HFC Refrigerants they import. Schedule 2 sets out Beijer Ref's understanding of which permits holders currently use the HFC Refrigerants they import, rather than wholesaling them. Wholesale suppliers hold 87.56% of the permits.
- (d) Although a small number of permit holders do not currently compete in the markets for the wholesale supply of HFC Refrigerants (12.44% by Beijer Ref's calculations), those permit holders would have the ability to become wholesale suppliers of some or all of the HFC Refrigerants they import in response to the right economic incentive.

2.4 The table of Grandparented permit holders from 2020 to 2026 provided by Beijer Ref on 2 March 2026 shows that of the 13 companies that currently hold grandparented permits, six of them (Cooldrive (NZ) Limited, Elementum Specialities Limited, Actrol, Azelis New Zealand Limited, Pan Pacific Auto Electronics Limited and Bayswater International Proprietary Limited) did not hold grandparented permits in 2020.

2.5 If a party secures HFC Refrigerants or special permits, no specialised equipment or any other significant investment is required for it to compete. Importing HFC Refrigerants in full container units it is more cost effective, but there is no competitive volume of refrigerants that needs to be imported in order to be a viable competitor.

2.6 As an example of recent entry into the market, Elementum Specialities Limited, which is a new company which has this year acquired grandparented permits and is now wholesaling HFC Refrigerants in competition with Beijer Ref at competitive prices.

2.7 Beijer Ref agrees with the Commission's observations that customers appear to be price sensitive and there is volatility in carbon and foreign exchange markets which are features that tend to undermine the stability of coordinated behaviour add that "customers tend to "shop around" for the best price".

2.8 Beijer Ref does not consider that branches are important for the sale of HFC Refrigerants. In the SOI the Commission stated "we observe very limited out-of-region quotes from any given branch". However, wholesalers including Azelis New Zealand Limited offer freight free

³ Schedule 1 of this Submission.

options. Customers buying HFC Refrigerants are normally solely focused on refrigerants and do not often buy other products.

3. NO SUBSTANTIAL LESSENING OF COMPETITION IN THE REFRIGERATION EQUIPMENT MARKET

- 3.1 Beijer Ref remains of the view that there is a national market for the supply of refrigeration equipment, consistent with the geographic dimension adopted by the Commission in its previous determination regarding refrigeration equipment.
- 3.2 The Commission is continuing to assess whether the merger is likely to substantially lessen competition in the refrigeration equipment market.
- 3.3 The Commission has stated it is not currently satisfied that "there would be sufficient constraint on the merged entity from other existing wholesalers of refrigeration equipment, particularly in Hamilton and Tauranga". Beijer Ref categorically rejects any suggestion that the merged entity would be able to profitably raise refrigeration equipment prices to customers in Hamilton, Tauranga or anywhere else from the levels that would prevail without the merger.
- 3.4 If the merged entity imposed a small, but significant, non-transitory increase in price (**SSNIP**) on refrigeration equipment, customers, including those in Hamilton or Tauranga, would have a number of options available to them:
- (a) They could purchase refrigeration equipment from other wholesalers, including:
- (i) Actrol. Actrol is a strong competitor that is expanding its New Zealand footprint.⁴ It recently expanded its presence in Tauranga by moving to a significantly larger branch.⁵
 - (ii) Alternative wholesalers, including those who do not have a branch in their location. Although there is some benefit in having a branch presence in a region when selling refrigeration equipment, it is not necessary in order to compete. By way of example, Cooling Equipment, regularly sells refrigeration equipment to customers based in Waikato and the Bay of Plenty, despite not having a branch in Hamilton or Tauranga.⁶ Having a physical branch is a choice, for customer convenience, rather than a necessity:
 - (iii) Orders for refrigeration equipment do not need to be made in person over the branch counter. Even in regions where there is a branch, customers can and do place orders by phone, email, online or through sales representatives who visit trade customers.
 - (iv) Customers do not require refrigeration equipment to be immediately available for collection from a branch at the time of the order. This is because refrigeration equipment purchases are normally larger purchases that are pre-planned, with a longer lead time. A full range of refrigeration equipment is not kept at each branch – Noting for example that Beijer Ref's branches in Hamilton and Tauranga are much smaller than its Auckland and Christchurch branches⁷ and Refspecs' branches are very small.⁸

⁴ See Reece Group's (Actrol's parent company) Half-Year 2026 Results (released on 23 February 2026), which highlights the focus on network expansion.

⁵ Actrol's new premises at 13 Cypress Street, Judea, Tauranga is approximately 871m². This is larger than Patton's Tauranga branch (600m²) and Realcold's Tauranga branch (458m²).

⁶ For example, Smart Climate Solutions, which is based in Waikato, states on its website that it has "enjoyed a long and successful relationship with Cooling Equipment Ltd, working together on many refrigeration solutions. We have multiple sites commissioned and Cooling Equipment are our go to people for technical advice and solutions": <https://www.smartclimate.nz/service/refrigeration-cooling-equipment> Also, Hamilton-based L.A Refrigeration states it partners with and sources machinery from Cooling Equipment: <https://www.larefrigeration.co.nz/commercial-refrigeration-installations-hamilton>

⁷ For example, its Mt Wellington branches are 1,171.54 m² (Patton) and 1,088m² (Realcold), whereas the Tauranga branches are 600m² (Patton) and 458m² (Realcold).

⁸ Refspecs' Hamilton branch is 360m² and its Tauranga branch is 147m².

- (b) They could import refrigeration equipment directly from the manufacturer. Importing is a straightforward process and is an option available to both trade customers and to end-customers of all sizes.
- 3.5 If the merged entity imposed a SSNIP, rivals (having observed an increase in price) could also easily, profitably and quickly (within one year) expand. Any investment in a physical branch would not involve material sunk costs. Actrol's recent Tauranga expansion and Refspecs' growth are examples of recent expansion.
- 3.6 As a result, a SSNIP would not be profitable. Therefore, the merger would not substantially lessen competition in the refrigeration equipment market.
- 4. **NO SUBSTANTIAL LESSENING OF COMPETITION IN THE REFRIGERATION COMPONENTRY MARKETS**
- 4.1 The Commission is also continuing to assess whether the merger is likely to substantially lessen competition in the refrigeration componentry market.
- 4.2 The Commission has stated it is "not yet satisfied that competition between the Parties for refrigeration componentry is the same across all regions, or that there would be sufficient constraint on the merged entity from other existing wholesalers of refrigeration componentry, particularly in Hamilton and Tauranga". As with refrigeration equipment, Beijer Ref does not accept that the merged entity would be able to profitably raise refrigeration componentry prices to customers in Hamilton, Tauranga or anywhere else.
- 4.3 If the merged entity imposed a SSNIP on refrigeration componentry, customers, including those in Hamilton or Tauranga, would have a number of options available to them:
 - (a) They could purchase refrigeration componentry from Actrol.
 - (b) They could purchase refrigeration componentry from alternative wholesalers, including those who do not have a branch in their location.
 - (c) They could import refrigeration componentry directly from the manufacturer. Importing is a straightforward process and is an option available to both trade customers and to end customers of all sizes. Customers would likely be importing componentry from the same countries that Beijer Ref imports from and Beijer Ref does not accept that the cost to import is necessarily higher for trade and end customers, than it would be for Beijer Ref.
- 4.4 The Commission quotes a customer as stating that "a wide branch network is important for competition, both in terms of ensuring availability of product for urgent repairs and cash sales, and brand exposure and establishing customer relationships". Beijer Ref does not agree with this customer's contention, noting:
 - (a) For urgent repairs, componentry can be delivered by urgent courier. Where an item is required sooner than when it could be delivered by urgent courier, a trade customer has the ability to self-supply by holding their own stock at their offices/in their vehicles or hold items supplied to installers on consignment. Also, a full range of componentry is not kept at each branch. As noted above, Beijer Ref's branches in Hamilton and Tauranga are much smaller than its Auckland and Christchurch branches and Refspecs' branches are very small, so there will always need for some refrigeration componentry to be brought in.⁹
 - (b) Cash sales are not common. Only around 2.5% of Beijer Ref's sales are cash sales.

⁹ Refspecs' Hamilton branch is 360m² and its Tauranga branch is 147m².

- (c) Physical branches are not necessary to increase brand exposure nationally. There are many methods of increasing brand exposure, particularly with the growth of social media and e-commerce.
- 4.5 The Commission has invited submissions on "the extent to which trade customers are able and willing to switch to other wholesalers of refrigeration componentry, including examples of where switching has occurred". The vast majority of trade customers have accounts with multiple wholesalers of refrigeration componentry and typically seek quotes from and split their spend between multiple wholesalers. There are no barriers to customers purchasing from different wholesaler, with many alternative brands and interchangeable products available. Beijer Ref does not track installers switching behaviour because trade customers are splitting their spend and switching constantly. There are no "must have" components with no/very few viable alternatives.
- 4.6 The Commission states it understands "that the Parties both compete closely in the supply of components such as copper tubing and insulation and they are particularly close competitors in the Auckland and Christchurch regions". However Cooling Equipment and Actrol also supply copper tubing and insulation and each have branches in Auckland and Christchurch. There is no evidence to support the contention that reputation is a barrier to expansion in the refrigeration markets.
- 4.7 As with refrigeration equipment, a SSNIP would not be profitable. Therefore, the merger would not substantially lessen competition in the refrigeration componentry markets.

SCHEDULE 1 – HFC PERMITS 2026

Permit holder	Grandparented permits (%)	Special permits (%)	Grandparented and special permits combined (%)
Azelis New Zealand Limited (previously Chemiplas NZ)	29.2403%		23.39224
Beijer Ref	28.8799%		23.10392
Refspecs	17.0472%	13.50%	16.33776
Actrol	5.7836%	11.84%	6.43560%
Temperzone Limited	8.0445%		6.4356
RefDestruct Limited		18.26%	3.652
ILYS Limited (trading as Cooling Supplies)	2.8558%	4.55%	3.19464
A-Gas (New Zealand) Limited		13.89%	2.778
AHI Carrier (NZ) Limited	2.6985%		2.1588
Bayswater International Pty Ltd	0.4378%	8.63%	2.07624
Glowbal NZ	1.3227%	4.24%	1.90616
Elementum Specialities Limited	0.7297%	3.64%	1.31176
CoolDrive Limited	1.4659%		1.17272
LIMS Imports Limited		4.55%	0.91
Eureka Fishing Limited		4.55%	0.91
Myst Enterprise Limited		4.24%	0.848

Youfusi Limited		2.73%	0.546
Juxin Limited		2.73%	0.546
Glacier Plus Limited		2.46%	0.492
General Distributors Limited	0.5170%		0.4136
Pan Pacific Auto Electronics Limited	0.3567%		0.28536
Era Polymers NZ Limited	0.3327%		0.26616
Fire Protection Technologies Limited	0.2027%		0.16216
CRC Industries New Zealand	0.0801%		0.06408
ASGC NZ Limited	0.0047%		0.00376
Hanna Electronic Limited		0.22%	0.044

SCHEDULE 2 – HFC REFRIGERANTS IMPORTERS THAT CURRENTLY USE THE HFC REFRIGERANTS THEY IMPORT

This Schedule sets out Beijer Ref's understanding of which permits holders current use the HFC Refrigerants they import, rather than wholesaling

Permit holder	Grandparented & special permits combined (%)	Own use v wholesaler
Azelis New Zealand Limited (previously Chemiplas NZ)	23.39224	Wholesaler
Beijer Ref	23.10392	Wholesale
Refspecs	16.33776	Wholesale
Actrol	6.43560%	Wholesaler
Temperzone Limited	6.4356	Own use
RefDestruct Limited	3.652	Own use (Refrigeration)
ILYS Limited (trading as Cooling Supplies)	3.19464	Wholesaler
A-Gas (New Zealand) Limited	2.778	Wholesaler
AHI Carrier (NZ) Limited	2.1588	Wholesaler
Bayswater International Pty Ltd	2.07624	Wholesaler
Glowbal NZ	1.90616	Wholesaler
Elementum Specialities Limited	1.31176	Wholesaler
CoolDrive Limited	1.17272	Wholesaler
LIMS Imports Limited	0.91	Wholesaler
Eureka Fishing Limited	0.91	Own use (Refrigeration)
Myst Enterprise Limited	0.848	Wholesaler
Youfusi Limited	0.546	Wholesaler
Juxin Limited	0.546	Wholesaler
Glacier Plus Limited	0.492	Own use (Refrigeration)
General Distributors Limited	0.4136	Own use
Pan Pacific Auto Electronics Limited	0.28536	Wholesaler
Era Polymers NZ Limited	0.26616	Own use
Fire Protection Technologies Limited	0.16216	Own use
CRC Industries New Zealand	0.06408	Own use
ASGC NZ Limited	0.00376	Own use
Hanna Electronic Limited	0.044	Own use (refrigeration)

