COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

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Statement of Unresolved Issues

Viridian/Metro Performance Glass

17 October 2025

Introduction

1. On 29 May 2025, the Commerce Commission registered an application (the Application) from Viridian NZ BidCo Limited (Viridian) seeking clearance for it, or any related or associated company, to acquire up to 100% of the shares in Metro Performance Glass Limited (Metro) by way of a takeover offer under the Takeovers Code or scheme of arrangement under Part 15 of the Companies Act 1993 (the Proposed Acquisition).[1]

2. To give clearance for the Proposed Acquisition, we must be satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.

3. Since registering the Application from Viridian, we have published:

    3.1. a Statement of Preliminary Issues (SoPI) setting out the issues that we considered important at the start of our investigation in deciding whether or not to grant clearance;[2] and

    3.2. a Statement of Issues (SoI) setting out the potential competition issues that we identified following our initial investigation.[3,4]

4. This Statement of Unresolved Issues (SoUI) sets out the Commission's further views on the potential competition issues that have not been resolved to date and that we therefore continue to test. This is so Viridian and Metro (the Parties) and other interested parties have an opportunity to comment and provide us with additional information. This SoUI is focused on the issues that continue to concern us and is designed to be read in conjunction with the SoI, which sets out the relevant background and analysis in more detail and can be accessed here.

5. In reaching the views set out in this SoUI, we have considered information provided by Viridian and Metro and other industry participants, as well as information we have gathered. We have not yet made any final decisions on the issues outlined

1 A public version of the Application is available on our website here.
2 The SoPI is available here.
3 The SoI is available here.
4 The SoPI and SoI also provide background information about Viridian and Metro, as well as the industry in which they operate (including 'Figure 1: Supply chain' which illustrates our understanding of the processed glass supply chain).

below (or any other issues) and our views may change, and new competition concerns may arise, as the investigation continues.

Process and timeline

6. The Commission is currently scheduled to decide whether or not to give clearance to the Proposed Acquisition by **20 October 2025**. However, we are seeking agreement from Viridian to extend this date, so they have a further opportunity to provide us with relevant information to address the unresolved issues. We will update the case register on our website once a new decision date is agreed with Viridian.

7. We invite submissions and supporting evidence from the Parties and other interested parties on the issues raised in this SoUI. We request submissions by close of business on **3 November 2025**, including a public version of any submission.

8. All submissions received will be published on our website with appropriate redactions.[5] All parties will have the opportunity to cross-submit on the public versions of submissions from other parties by close of business on **12 November 2025.**

9. If you would like to make a submission or cross-submission but face difficulties in doing so within the timeframe, please ensure that you register your interest with us at registrar@comcom.govt.nz so that we can work with you to accommodate your needs where possible.

Summary of our Statement of Issues

10. In our SoI we set out our preliminary view that we were not satisfied that the Proposed Acquisition would not be likely to substantially lessen competition compared to a counterfactual in which Viridian and Metro continue to compete independently.

11. The relevant markets for the purposes of assessing the competitive effects of the Proposed Acquisition were:[6]

    11.1. a national market for the supply of processed glass to fabricators;

    11.2. a national market for the supply of processed glass to merchants and glaziers;

    11.3. a national market for the supply of processed glass to construction firms; and

    11.4. regional glass installation markets (ie, Northland, Auckland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, Manawatu-Whanganui, Wellington,

[5] Confidential information must be clearly marked (by highlighting the information and enclosing it in square brackets). Submitters must also provide a public version of their submission with confidential material redacted. At the same time, a schedule must be provided which sets out each of the pieces of information over which confidentiality is claimed and the reasons why the information is confidential (preferably with reference to the Official Information Act 1982).

[6] The SoI at [54].

Tasman, Nelson, Marlborough, West Coast, Canterbury, Otago, and Southland).

12. Our preliminary view was that the Proposed Acquisition should be considered against a counterfactual in which Viridian and Metro continue to compete, because this is the most competitive likely counterfactual.[7]

13. For Viridian, we considered that the only likely counterfactual is the status quo. However, for Metro, we considered two possible variations on the counterfactual:[8]

    13.1. the status quo, where Metro continues to operate separately from Viridian and works to improve the performance of the business; and

    13.2. a modified status quo, in which Metro successfully secures a capital raise and new loan facilities. This counterfactual would see Metro continuing to operate separately of Viridian with reduced debt and improved cash flow. Since we issued our SoI, Metro has in fact secured additional capital, and we discuss the implications of this at [32].

14. At the time we published the SoI, the Commission was not satisfied that the Proposed Acquisition would not substantially lessen competition in the relevant markets for the supply of processed glass due to unilateral effects, because:

    14.1. Viridian and Metro are two of New Zealand's four large national glass processors and suppliers, the others being Architectural Glass Products (AGP, owned by Architectural Profiles Limited, APL) and FMI. Viridian and Metro are the only two that are not vertically integrated into downstream fabricator markets.[9]

    14.2. Viridian and Metro are one another's closest competitor in relation to a significant portion of fabricator and merchant/glazier customers, and the Proposed Acquisition would remove the existing vigorous competition (on price, service, quality, and national footprint) between them to supply these customers.[10]

    14.3. Existing or potential competitors would not be likely to constrain the merged entity, particularly with respect to the supply of processed glass to fabricator and merchant/glazier customers.[11]

        14.3.1. APL/AGP and FMI almost exclusively supply glass to their respective aligned fabricator networks. As such, they do not compete directly with Viridian and Metro for other fabricator customers (including for independent fabricators and those that are aligned to a different die holder). APL/AGP and FMI do not appear to be incentivised to supply

[7] The SoI at [93].
[8] The SoI at [94].
[9] The SoI at [12.1] and [105].
[10] The SoI at [12.2] and [104]-[109].
[11] The SoI at [12.3], [115]-[120], [122]-[126], and [138]-[141].

customers outside their networks in response to a price increase or reduction in quality by the merged entity.

14.3.2. Further, APL/AGP and FMI only currently supply glass to a small number of merchant/glazier customers. As such, Viridian and Metro are the only two national processors materially supplying merchant/glazier customers.

14.3.3. Outside of the four large national providers, other New Zealand glass processors are materially smaller in scale (in terms of both production capacity and output volumes) and do not have the same 'everywhere, everyday' national footprint that Metro and Viridian currently provide.

14.3.4. Glass processors supply differentiated services, competing on price, quality of glass, quality of service (including timely delivery), geographic reach, customer relationships, and investment in plant and production technology. Although existing competitors may have capacity to expand production volumes (using existing plants) within a relatively short timeframe, there are a large number of customers who view Viridian and Metro as their only viable options due to the various factors listed above. As such, spare capacity or potential expansion by other firms in the market may not result in a material constraint on the merged entity.[12]

14.3.5. Entry by new glass processors at a scale that would be likely to constrain the merged entity in New Zealand is unlikely to occur in a timely manner.

14.4. While imported glass may be a viable option for some types of glass products or some construction projects, we did not have evidence that imports were a realistic supply option for most customers, or that imports would constrain the merged entity in all markets for the supply of processed glass.[13]

14.5. We did not consider it likely, based on the evidence, that customers would self-supply or sponsor new entry. As such, we were not satisfied that the merged entity would be constrained by countervailing power.[14]

15. We noted in the SoI that we would continue to explore the extent to which the Proposed Acquisition may lead to a material reduction of choice for merchant/glazier

12 We set out our current views on the extent of spare capacity amongst glass processing suppliers in more detail below at [55]-[63]. To summarise, we consider that although existing competing domestic glass processors may have the ability to expand (through having material excess capacity), they may not have the incentive to do so where several fabricators consider the Parties as their only options for glass supply due to price and non-price factors. The mere existence of spare capacity in the market may not be sufficient to constrain the merged entity.

13 The SoI at [12.4] and 132]-[134].

14 The SoI at [12.5] and [152].

customers that currently source glass from Viridian and/or Metro (and/or others) and also compete with Viridian and Metro for glass installation services.[15]

16. The SoI also outlined the Commission's key concerns relating to potential unilateral effects in the relevant glass installation markets. At the time of publishing the SoI, we were not satisfied that the Proposed Acquisition would not substantially lessen competition due to unilateral effects, because:[16]

    16.1. Viridian and Metro appear to currently be the only two national suppliers of processed glass and compete closely to supply bundled processed glass and installation services for some customers, and Viridian and Metro are likely to impose a significant degree of constraint on one another.

    16.2. While there are existing or potential competitors (including glass merchants/glaziers and in-house glazing teams for fabricator customers) providing bundled or standalone installation services, these appear to be limited by the type of processed glass (eg, only single-glazed glass) and/or geographical outreach of their services (eg, within a particular region or island).

17. We also indicated our intention to continue exploring the extent to which potential entry and expansion of glass installers and the ability of customers to self-supply (ie, do their own installation/glazing) and or sponsor the entry of new glaziers, may constrain the merged entity.[17]

Submissions received in response to the SoI

18. We received three submissions in response to the SoI from:

    18.1. Chapman Tripp and NERA Economic Consulting (NERA) on behalf of Viridian;[18]

    18.2. Baker Glass & Glazing;[19] and

    18.3. Master Glaziers.[20]

Chapman Tripp and NERA's submission on behalf of Viridian

19. The submission for Viridian exclusively focuses on the potential for unilateral effects in the market for the supply of processed glass to fabricator customers.

20. With respect to fabricators, the submission outlined Viridian's view that APL/AGP and FMI:

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15 The SoI at [13] and [128].
16 The SoI at [157]-[161] and [164]-[168].
17 The SoI at [171] and [173].
18 Public version of the submission for Viridian can be found here.
19 Public version of Baker Glass & Glazing's submission can be found here.
20 Public version of Master Glaziers' submission can be found here.

20.1. have disrupted the glass industry through vertically integrating to offer bundled joinery and glass, selling to networks of aligned fabricators for assembly, and resale to group home builders and other customers;

20.2. are advantaged by way of their vertical integration into glass processing and aluminium fabrication in terms of transaction cost advantages and the benefits that arise from selling complementary products (ie, lower prices for complementary products increases sales for both products);

20.3. together control ~57% (APL/AGP ~42% and FMI ~15%) of fabricator sales through their respective brands, namely First, Altherm and Vantage (APL/AGP), Fairview and Next (FMI); and

20.4. have caused lost sales to Viridian and Metro in recent years and continue to pull the "best-of-the-rest" (ie, fabricators not already aligned to APL/AGP or FMI) into their aligned networks.

21. The submission for Viridian indicates that of the ~320 fabricators in New Zealand, 110 are not currently aligned to APL/AGP or FMI. The submission refers to these fabricators as the "contestable fabricators". These contestable fabricators are either aligned to Altus or McKechnie/Omega, or are independent (ie, not aligned to any prime die holder). The submission states that Viridian currently competes with Metro, Glasslines, Glass Team, Stake Glass, and SN Windows to supply these fabricators. This is consistent with the Commission's assessment that APL/AGP and FMI almost exclusively supply glass to their respective aligned fabricator networks, so the closest competition comes from non-aligned glass processors.

22. The submission comments on the extent to which the merged entity could profitably raise and sustain IGU prices for contestable fabricators by at least 5% without losing a meaningful market share.

23. Viridian submits that the merged entity would be constrained from increasing price to contestable fabricators because:

23.1. Viridian believes that the merged entity would be sufficiently constrained by other incumbent glass processing suppliers; and

23.2. any attempt to increase prices to contestable fabricators would likely drive the best of that group towards APL/AGP and FMI, shrinking the size of the merged entity's potential customer base, reducing the merged entity's profit and further rendering any price increase uneconomic over time.

24. On the first point, the submission for Viridian includes a critical loss analysis undertaken by NERA.

24.1. Critical loss analysis calculates the critical volume loss (%) that would make a given price rise (%) unprofitable for the merged entity. In this case, NERA estimates that if the merged entity were to lose at least [ ]% of its sales volumes in response to a price rise (because, for example, some of its customers would switch to another supplier), then the merged entity would not have the incentive to increase price by 5%.

25. On the latter point, the submission for Viridian emphasises that:

> the merged entity would lack the incentive to increase price to Contestable Fabricators because doing so would make them materially less competitive than APL/AGP and FMI-aligned fabricators.
>
> Where that occurs, Contestable Fabricators will lose share to their aligned rivals and will buy less glass inputs from the merged entity.

26. The submission for Viridian concludes that it would most likely be an irrational strategy to increase prices to fabricators by 5%, because such a price rise would likely:

    26.1. not be profitable; and

    26.2. "drive the best of that Contestable Fabricator group towards APL/AGP and FMI, shrinking the size of the merged entity's potential customer base, reducing the merged entity's profit and further rendering any price increase uneconomic over time."

Other submissions

27. The Master Glaziers Network identifies Viridian and Metro as the two largest suppliers to the glazing/merchant market. It notes that it has not seen APL/AGP or FMI "chasing aggressively" merchant/glazier customers. Baker Glass & Glazing also notes that imports are not a viable option for many small operators.

28. Both submissions outline concerns regarding potential plant/branch closures, price increases, reductions in frequency and quality of service, product/glass type availability, and reduction in choice for customers post-merger.

Customer survey

29. Due to the large number of fabricators and merchant/glazier customers potentially impacted by the Proposed Acquisition, one means by which we have gathered further information is through a customer survey. The survey was sent by the Commission to 643 potential respondents and we received 171 responses. We recognise that the survey only captures the views of the subset of recipients who chose to respond and accordingly we have used the responses for the purpose of testing or corroborating other evidence, rather than treating them as evidence that is conclusive or representative of all customers. The survey asked for:

    29.1. information on the extent to which fabricator and merchant/glazier customers currently source processed glass from Viridian and/or Metro;

    29.2. information on the alternatives that fabricators and merchants/glaziers have to Viridian and Metro (including domestic glass supply options and imports); and

29.3. views on the Proposed Acquisition and other information, such as its impact on options available for processed glass and the prices or service quality that may be offered for processed glass supply in future.

30. In **Attachment A**, we provide a summary of the results of the survey.

Concerns and theories of harm we are continuing to investigate

31. Based on the information currently before us, we are not yet satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in one or more relevant markets in New Zealand, relative to a counterfactual where Viridian and Metro continue to compete.

32. Metro's success in securing a capital raise[21] supports the modified status quo counterfactual (put forward in our SoI and outlined in [13.2] above[22]) in which Metro continues to operate separately of Viridian with reduced debt and improved cash flow. As such, it is appropriate to assess the Proposed Acquisition against a status quo counterfactual for Viridian, and modified status quo counterfactual for Metro. The modified status quo counterfactual would see a stronger, more competitive Metro, and is therefore a more competitive counterfactual than that submitted by Viridian in the Application. Viridian has provided no submissions on the impact of Metro's success in securing a capital raise on the relevant counterfactual.

33. We note that Viridian has also not provided any comment or submissions on our preliminary views outlined in the SoI regarding:

    33.1. market definition;

    33.2. unilateral effects in the market for the supply of processed glass to merchant/glazier customers;

    33.3. unilateral effects in the market for the supply of processed glass to construction customers; and

    33.4. unilateral effects in glass installation markets.

34. Our current view regarding market definition (as outlined at [11]) remains consistent with our SoI.

35. We provide our current views below on the potential for unilateral effects in the markets for:

    35.1. the supply of processed glass to fabricators;

    35.2. the supply of processed glass to merchant/glazier customers;

    35.3. the supply of processed glass to construction customers; and

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21 See Metro's announcement here.

22 The SoI at [94.2].

35.4. glass installation.

Our current views on potential unilateral effects in the market for the supply of processed glass to fabricators

36. Viridian submits that the Proposed Acquisition would not be likely to substantially lessen competition in the supply of processed glass because the merged entity would be constrained by well-resourced and disruptive rivals (with excess capacity), potential entrants (facing low entry barriers), and imports (increasing).[23] Viridian further submits in terms of supply to fabricators that any attempt to increase prices to contestable fabricators would likely drive them to purchase glass from APL/AGP and FMI.[24]

37. We provide our updated views on the key points below, these being:

    37.1. the removal of existing and vigorous competition between Metro and Viridian;

    37.2. the merged entity's ability and incentives to increase prices to certain fabricators;

    37.3. the constraint from downstream competition between fabricators; and

    37.4. spare capacity in the market.

38. In relation to Viridian's other points (ie, potential entrants (facing low entry barriers), and imports (increasing)) we have not seen any evidence that would change the preliminary views expressed in the SoI.

39. Overall, we remain unsatisfied that there would be sufficient constraint on the merged entity to prevent a substantial lessening of competition in the supply of processed glass to fabricators.

40. In addition to evidence currently before us from interviews with and submissions from fabricators (cited in the SoI and in this SoUI), there is additional corroborating evidence from 85 fabricators that responded to our survey. Over half of these fabricators raised concerns or potential concerns about the Proposed Acquisition in terms of competition, their supply options and the prices they face for processed glass.

Proposed Acquisition would remove existing vigorous competition between Viridian and Metro

41. In the SoI, we said that the evidence we had gathered showed that Viridian and Metro are each other's closest competitors competing vigorously on price and non-price factors, and that we were not satisfied that constraint from existing glass processors would be sufficient to constrain the merged entity in all relevant markets.[25]

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23 The Application at [142].
24 Submission from Viridian (2 September 2025).
25 The SoI at [100], [103]-[109] and [112].

42. Regional suppliers may not currently present a strong competitive constraint on Metro and Viridian overall and to many customers. Based on market feedback we understand that fabricators can (and do) use the competitive tension between Metro and Viridian to negotiate more favourable prices, whereas the constraint provided by regional suppliers generally has a limited role in these negotiations.[26]

43. In the factual, some customers would be able to use competitive tension between the merged entity and one or more regional suppliers in order to negotiate for competitive prices, but this constraint would not be as strong as the competitive tension provided by Viridian and Metro in the counterfactual.

44. We are concerned that many fabricator customers do not have the ability to use the threat of switching to a regional supplier as a competitive constraint on Viridian and Metro, because the existing regional suppliers are not a credible supply option for these customers. Many of the fabricators we spoke to during our investigation identified Viridian and Metro as their only glass supply options due to price and non-price factors, including a preference to purchase from national processors who are able to deliver glass more frequently and who have the footprint to deliver across New Zealand (or within the North or South Island) daily. As such, many fabricators may not consider the regional suppliers to be viable alternatives.[27]

The merged entity may have the ability and incentive to increase price to certain fabricators

45. We are not satisfied that the merged entity would not have the ability and incentive to price discriminate against customers that are captive to the merged entity (or have fewer viable alternatives) by increasing prices for these customers. We are concerned because:

    45.1. there are many customers that identified Viridian and Metro as their only viable glass supply options; and

    45.2. in the presence of price discrimination,[28] the merged entity would be able to tailor its pricing to charge higher prices to (at least) those customers that are less able to switch to another supplier, without a corresponding decline in sales. As such, Viridian's submission that the merged entity would not have an incentive to increase prices is not robust in the presence of price discrimination.

46. Based on information provided to us by Viridian, we understand that [ ]:

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[26] The SoI at [117]- [120], survey responses from [ ] and [ ], and Commerce Commission interview with [ ].

[27] The SoI at [118]-[119].

[28] Price discrimination is an economic term which refers to when a supplier charges different prices to different buyers for identical products, where these price differences are not an inflection of cost differences.

46.1. [ ].[29] Furthermore, [ ].[30]

46.2. [ ].[31] [ ].[32]

46.3. [ ].[33]

46.4. Viridian notes that [ ].[34]

46.5. [ ].[35]

47. We understand that [ ].[36] As such, we expect that the merged entity would be able to price discriminate in practice in the factual.

48. In the presence of price discrimination, the critical loss analysis submitted by NERA on behalf of Viridian, which is discussed above (in [24]), is not an effective tool to assess the merged entity's ability to increase price.

48.1. A critical loss analysis can be used to assess whether the merged entity would have the ability and incentive to increase its prices. It does so by estimating the maximum volume of sales that a firm could lose in response to a given price increase, before that price increase would be unprofitable for the firm.

48.2. The critical loss analysis undertaken by NERA was used to support Viridian's submission that the merged entity would be sufficiently constrained by other incumbent glass processing suppliers, so that the merged entity would not

29 The Application at [122] and [ ].
30 Commerce Commission interview with [ ].
31 [ ] and Commerce Commission interview with [ ].
32 Commerce Commission interview with [ ].
33 Commerce Commission interview with [ ].
34 Commerce Commission interview with [ ].
35 [ ].
36 Commerce Commission interviews with [ ], [ ], [ ] and call with [ ].

find it profitable to increase its prices.[37] The fundamental idea behind a critical loss analysis is that any price rise will normally have two effects:[38]

48.2.1. a fall in sales, as some consumers are no longer willing to buy at the higher price; and

48.2.2. higher margins derived on the remaining sales, from those customers who continue to buy at a higher price.

48.3. Since these two effects work in opposite directions, we can find the critical level for which the two effects exactly offset each other. This critical level then provides a benchmark against which to compare the 'actual' sales loss following a price increase.

48.4. If actual customer switching is expected to exceed the critical loss value, the margin gained from increasing price would be outweighed by the margin lost from the decrease in volume. As such it would be unprofitable for the merged entity to increase price. If actual customer switching is expected to be below the critical loss value then we would expect the merged entity to profitably increase prices.

49. However, if the firm(s) in question can price discriminate effectively, the findings from a critical loss analysis are not robust. This is because price discrimination enables a firm to manage its sensitivity to volume losses, [ ].

50. Firms following a tailored pricing strategy ([ ]) do not face an inherent trade-off between falling sales and higher margins in the manner implied by a critical loss analysis. Instead of applying a uniform price increase for all customers, a price discriminating firm can increase price in a targeted manner to only those customers that would not respond to a price increase by switching to an alternative supplier. Similarly, it can retract a proposed price increase if the customer reacts in a way that suggests it might seek alternative supply arrangements. A key assumption for a critical loss analysis to produce accurate results is therefore the absence of price discrimination in the relevant market(s). However, this is not the case in the current setting. The results of the critical loss analysis therefore do not support the proposition that the merged entity would be sufficiently constrained to prevent a substantial lessening of competition in the relevant market(s).

Constraint from downstream competition between fabricators

51. In our SoI, we signalled that we are considering whether the intensity of competition between fabricators could act as a constraint on the merged entity, and we invited submissions on this point.

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[37] While we agree with the arithmetic of the critical loss analysis, we do not agree with the interpretation of the results.

[38] Commerce Commission, *How to use quantitative analysis in your merger analysis – Advisory note* (December 2018) at [11]-[24]. Available on our website at www.comcom.govt.nz.

51.1. In the first instance, competition from APL/AGP and FMI-aligned fabricators could result in these aligned fabricators winning more work, at the expense of non-aligned fabricators. This would translate to less demand for glass supplied by the merged entity.

51.2. Second, over time non-aligned fabricators may seek to join APL/AGP and FMI networks, shrinking the size of the merged entity's potential customer base.

52. While we acknowledge the theoretical possibility of the constraints imposed by downstream competition between fabricators, Viridian has not provided any evidence to demonstrate that it has regard to these constraints in the way it operates its business.

53. Further, we have sought to verify the existence of these constraints with other glass processors, but have received limited evidence to date.

53.1. Regarding the potential to lose work to aligned fabricators, consistent with Viridian's submission, [ ];[39]and

53.2. Regarding the potential shrinking fabricator customer base, contrary to Viridian's submission, we have evidence to indicate that FMI and APL/AGP may not always be willing to onboard additional fabricators into their respective networks.[40] Therefore we are not persuaded that contestable fabricators will necessarily be "driven" to FMI or APL/AGP in the face of a SSNIP.

54. As such, we are not currently satisfied that the proposed constraint from competition between fabricators would prevent the merged entity from causing a substantial lessening of competition in the market for the supply of processed glass to fabricators.

Our current views on the extent of spare capacity amongst glass processing suppliers

55. Viridian submits that there is excess capacity in the market, and any incumbent would have the ability to increase output at short notice in response to a price signal from the proposed merged entity.[41]

56. Our investigation has confirmed there is currently a material amount of excess capacity held amongst domestic glass processors, albeit the precise extent of excess capacity held by any given processor may be slightly different to that estimated by

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[39] [ ].

[40] For example, [ ]. See Commerce Commission interview with [ ].

[41] The Application at [2.2], [142.2] and [146]-[148].

Viridian in the Application. However, as outlined in the SoI the market is currently at the bottom of a cycle in terms of construction demand, so spare capacity is at its highest.[42]

57. We assume that in the counterfactual, the extent of spare capacity across domestic glass processors would remain around the same level over the next one or two years.[43]

58. By contrast, with the Proposed Acquisition, the extent of spare capacity [ ].[44]

59. With the Proposed Acquisition, we expect that other domestic glass processors including Glasslines, Glass Team, Bay Glass and Stake Glass would continue to have material excess capacity that can easily and quickly be made available (at least in the immediate term and while demand remains low).

60. To put the extent of spare capacity held by these regional providers into context, we estimate that the likely production of the merged entity would be approximately [ ][45] compared to [ ] held collectively by rival domestic glass processors (excluding the capacity of APL/AGP, FMI and from imports).[46] Collectively at current levels of demand, there may be enough spare capacity held by glass processing rivals to easily and quickly increase production to cover approximately [ ] of the merged entity's production. That said, this capacity is spread across a number of processors, and the extent to which fabricators may seek to buy glass from these other domestic glass processors (thereby utilising their excess capacity) would likely depend on:

60.1. a fabricator's willingness to split purchases across multiple glass processors, either for different jobs or across one job;

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42 The SoI at [12.3.4].

43 As outlined at [139] of the SoI, entry at sufficient scale to materially constrain the merged entity is likely very costly, and the current slump in demand in the glass processing market and prospect of already diminished returns limits the appetite of potential entrants to enter the market.

44 [ ]

45 [ ].

46 To calculate the production and capacity of glass processors, we relied on interviews with glass processors and Viridian's estimates included in the Application at [148] and Table 13. These estimates may not reflect the precise production and capacity of each glass processor, and may not be like for like in the sense that there are subjective elements to estimates of capacity. However, our conclusion that there is excess capacity in the market is not sensitive to the exact quantum of these estimates.

60.2. the ability of other domestic glass processors to supply the large volumes that some fabricators demand;

60.3. whether a fabricator operates in an area supplied by other domestic glass processors;

60.4. the type of processed glass products demanded by a fabricator and the extent to which other domestic glass processors supply these types of glass (or only a more limited range of product types/sizes); and

60.5. whether other domestic glass processors are able to supply processed glass on terms competitive with those of the merged entity.

61. While some fabricators purchase glass from different processors for different jobs, we consider that fabricators would be less likely to purchase glass from different processors for one job (eg, because slight differences in glass would be noticeable if the windows for a house came from multiple suppliers). Despite the existing spare capacity of many regional glass processors, and as we have noted above and in the SoI, several fabricators have identified Viridian and Metro as their only glass supply options due to price and non-price factors (including product range, delivery timeframes, and geographic reach).

62. Put differently, the regional suppliers do not appear to compete closely with Viridian and Metro across many customers, despite their spare capacity at present.

63. We do not have sufficient evidence to conclude that the excess spare capacity held by domestic glass processors would constrain the merged entity to prevent a substantial lessening of competition if the Proposed Acquisition goes ahead.

Our current views on potential unilateral effects in the market for the supply of processed glass to merchant/glazier customers

64. In the SoI, we considered that Viridian and Metro are the only two national processors of scale that service the merchant/glazier channel to market and stated that we are continuing to explore the extent to which regional processors would be an effective competitive constraint on the merged entity.[47]

65. We noted that market feedback to date suggests that merchant customers often split their glass requirements across multiple suppliers (both national and regional) and tend to shop around regularly between suppliers and that merchants generally maintain multiple supply relationships to avoid sourcing glass from a glass processor who is competing with them for the installation of that glass on a particular project (amongst other reasons).[48]

66. We understand that merchant/glazier customers predominantly purchase single-glazed glass, and to a lesser extent some DGUs for repairs or retrofit work and that the Parties are the only two national processors where large regional processors (ie,

[47] The SoI at [122],[125] and [127].
[48] The SoI at [124] and [128].

Glasslines, Glass Team, Stake Glass) do not operate nationally or at the same scale as the Parties.[49]

67. We have received some evidence to indicate that the existing large regional glass processors may not provide sufficient competitive constraint on the Parties in the market for the supply of processed glass to merchants/glaziers. Regional processors may not be a viable option for merchant/glazier customers that require large volumes and/or service a national customer base for which Viridian and Metro compete closely to supply.[50]

68. For instance, Baker Glass & Glazing submits that it relies on competition between Viridian and Metro to negotiate fair pricing, product availability, and service quality noting the merger would remove a key competitive tension for it.[51] Regional processors may however provide some degree of competitive constraint on the Parties in respect of the supply of processed glass to merchants/glaziers who service a particular region (or island), and who require only small volumes or otherwise compete directly with the Parties on installation.[52]

69. In addition to evidence currently before us from interviews with and submissions from merchant/glazier customers, there is additional corroborating evidence from 97 merchant/glazier customers that responded to our survey. Of these 97 merchant/glazier customers, 94% currently source processed glass from one of the Parties and only six do not source glass from the Parties (instead sourcing from other domestic glass processors). In addition, only eight of these customers currently import processed glass (although a higher proportion indicated the potential to use imports in the future). Over half of these merchant/glazier customers raised concerns or potential concerns about the Proposed Acquisition in terms of competition, their supply options and the prices they face for processed glass.

70. Based on the evidence gathered to date, while we consider that regional processors may provide some degree of constraint on the merged entity (eg, for customers requiring smaller volumes or located in certain regions), we are not currently satisfied that such constraint would be sufficient to prevent a substantial lessening of competition in the market for the supply of processed glass to merchant/glazier customers.

Our current views on potential unilateral effects in the market for the supply of processed glass to construction customers

71. In the SoI, we said that the Parties compete to supply glass to large construction firms that work on low-rise commercial projects, large-scale commercial projects and

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[49] The SoI at [123]-[126].

[50] For example, [ ] considers that glaziers are quite limited in who they can source glass from, noting that of the ~[ ] glaziers across New Zealand, [ ]% source processed glass from Viridian and/or Metro and that FMI is focussed on supplying fabricators as opposed to merchants. See Commerce Commission interview with [ ].

[51] Submission from Baker Glass & Glazing (14 August 2025).

[52] See for example, Commerce Commission interviews with [ ], [ ] and [ ].

larger residential projects,[53] but that we are continuing to explore the extent to which Viridian, Metro and other glass processors (national and regional) compete for these customers and whether this varies by customer or project.[54]

72. We noted that market feedback to date suggests that the supply options for large construction firms could be different to that for other customers. We understand that imports could be a viable supply option for this channel, particularly, where the project timelines can accommodate longer lead-times for imported IGU and single-glazed glass and/or the measurements tend to be more standardised (eg, multi-unit apartment buildings or construction projects).[55] As such, we understand that imports may be a more significant constraint on prices and competition more generally in this channel.[56]

73. Group home builders and large construction firms do not typically procure processed glass from glass suppliers themselves (albeit some may procure small amounts of single-glazed glass directly). We understand that firms engage subcontractors (eg, fabricators and façade installers) as part of a tendering process[57] and those subcontractors are responsible for sourcing processed glass and other components for projects.

74. We have received some evidence to indicate that the supply of imported processed glass may provide competitive constraint on the Parties in the market for the supply of processed glass to construction firms.[58] However, imports may not be a viable option for those construction customers undertaking projects that require shorter lead times and customised sizing for which we understand Metro, Viridian and other glass processors are competing closely to supply. Imported processed glass may, however, provide some degree of competitive constraint on the Parties in respect of the supply of single-glazed glass where imports appear to be more prevalent due to standardised sizing and volumes.[59]

75. Based on the evidence gathered to date, while we consider that imports would continue to provide additional competitive constraint on the merged entity in the market for the supply of processed glass to the construction market, we are not currently satisfied that such constraint on the merged entity would be sufficient to prevent a substantial lessening of competition.

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53 The SoI at [129].
54 The SoI at [130].
55 The SoI at [68] and [102].
56 The SoI at [68].
57 However, we acknowledge that a tender process may not be common across all construction projects and so may vary based on the type, or scale of a particular project. We invite further submissions on this point (in addition to the matters that we are interested in receiving submissions on regarding the construction channel to market) in **Attachment B**.
58 For example, [ ]. However, [ ].
59 The SoI at [102].

Our current views on potential unilateral effects in the glass installation markets

76. Viridian submits that the Proposed Acquisition would not be likely to substantially lessen competition in glass installation markets because if the merged entity raised price and/or lowered installation service levels, it would lose share to any number of other existing merchants and installers operating in regions across the country (who have ready access to competitively priced glass from a range of sources).[60]

77. In the SoI, we said that Viridian and Metro currently appear to compete closely to supply bundled processed glass and installation services for some customers, and they are likely to impose a significant degree of constraint on one another, but that we are continuing to consider the extent to which Viridian and Metro compete with existing providers of glass installation services in the market.[61]

78. We noted that market feedback to date suggested that Viridian and Metro are the only two national suppliers of processed glass who also provide bundled supply and installation services. We understand that while there are other glass processors in the market offering these bundled services, they appear to be limited by type of processed glass and/or geographical reach. There are also a number of other competitors providing a standalone glass installation service.[62]

79. We understand that some fabricator customers might have their own in-house glazing teams to complete installation or otherwise contract independent glaziers to do this. However, even where customers are completing installation themselves, this is often limited to certain types of projects or installation of certain types of processed glass and so they may still use Viridian and Metro for more complex projects.[63]

80. In addition to evidence currently before us from interviews, there is additional corroborating evidence from customers that responded to our survey. Of the 31 customers that responded to our survey who indicated that they use Viridian or Metro's installation services, 58% raised concerns or potential concerns about the Proposed Acquisition. For example, one of those customers stated that "because both metro and viridian also compete in the installation space, if the[y] merge then they could control pricing and make it impossible to compete for installers who do not manufacture."[64]

81. Based on the evidence gathered to date, while we consider that other providers of bundled supply/installation, standalone glass installation services and customers who have in-house glass installation services may provide some degree of constraint on the merged entity in the market for the supply of glass installation services to customers, we are not currently satisfied that such constraint would be sufficient to prevent a substantial lessening of competition.

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[60] The Application at [199].
[61] The SoI at [157] and [169].
[62] The SoI at [161].
[63] The SoI at [168].
[64] Survey response from [ ].

Summary of unresolved concerns

82. In summary, the unresolved concerns that we are continuing to investigate regarding the Proposed Acquisition are primarily that:

82.1. with respect to relevant markets for the supply of processed glass (to fabricator, merchant/glazier, and construction customers), we are currently not satisfied that:

82.1.1. constraint from existing glass processors would be sufficient to constrain the merged entity in any of the relevant markets;

82.1.2. constraint from imports would be sufficient to constrain the merged entity in any of the relevant markets (particularly in respect of the fabricator and construction channels to market);

82.1.3. expansion of services by domestic glass processors, or new entry, is likely to occur in a timely manner or at sufficient scale to constrain the merged entity); and

82.1.4. customers would likely be able to exercise countervailing power through self-supply or sponsor entry of new domestic processors to an extent that would constrain the merged entity.

82.2. with respect to relevant glass installation markets, we are currently not satisfied that:

82.2.1. constraint from existing glass installers (including glass merchants/glaziers and in-house glazing teams for fabricator customers) providing bundled or standalone installation services would be sufficient to constrain the merged entity in any of the relevant markets;

82.2.2. expansion of services by domestic installers/glaziers, or new entry, is likely to occur in a timely manner or at sufficient scale to constrain the merged entity; and

82.2.3. customers would likely be able to exercise countervailing power through self-supply or sponsor entry of new glaziers to an extent that would constrain the merged entity.

Next steps

83. As mentioned above, the Commission is currently scheduled to make a decision on whether or not to give clearance to the Proposed Acquisition by **20 October 2025**. However, we are seeking agreement from Viridian to extend this date so that it (and any other interested party) may provide more information in response to our unresolved concerns.

84. As part of our investigation, we will continue to identify and contact parties that we consider will be able to help us assess the issues identified above. In **Attachment B**, we summarise the matters that we are interested in receiving submissions on.

Making a submission

85. We are continuing to undertake inquiries and seek information from industry participants about the impact of the Proposed Acquisition. We welcome any further evidence and other relevant information and documents that Viridian or any interested parties are able to provide regarding the issues identified in this SoUI.

86. If you wish to make a submission, please send it to us at registrar@comcom.govt.nz with the reference 'Viridian/Metro' in the subject line of your email. Please do so by close of business on **3 November 2025**.

87. All information we receive is subject to the Official Information Act 1982 (OIA), under which there is a principle of availability. We recognise, however, that there may be good reason to withhold certain information contained in a submission under the OIA, for example in circumstances where disclosure would be likely to unreasonably prejudice the commercial position of the supplier or subject of the information.

Attachment A: Results of a survey

A1. We present below the results from the survey and customers that responded to the survey. The results of the survey and detailed survey responses form part of the evidence and information collected during our investigation. Survey responses and results are being considered alongside other evidence and information gathered through interviews, information requests and submissions. We recognise that the survey only captures the views of the customers that chose to respond to the survey and accordingly we have used the responses for the purpose of testing or corroborating other evidence, rather than treating them as evidence that is conclusive or representative of all customers.

Survey responses

A2. The survey was completed by a range of fabricators and merchant/glazier customers online via a survey tool (Survey Monkey). We bulk e-mailed a survey link to 643 fabricators and merchant/glazier customers whose e-mail addresses were publicly available (excluding customers that we had already interviewed or obtained information from). These included independent fabricators as well as fabricators aligned to a prime die holder (according to websites of prime die holders).

A3. The survey was optional and participants were given a week to complete it.

A4. A total of 171 responses were received to the survey, although we note that 25 responses were only partially completed (to varying degrees). The results of the survey set out below are based on summary survey response data generated by Survey Monkey, which we have not adjusted.

A5. The survey was completed by a mix of fabricators and merchant/glazier customers that were spread across New Zealand and from the majority of regions and were of varying sizes (in terms of their 2024 spend on glass), as shown in Figures A1, A2 and A3.

Figure A1: Type of customers

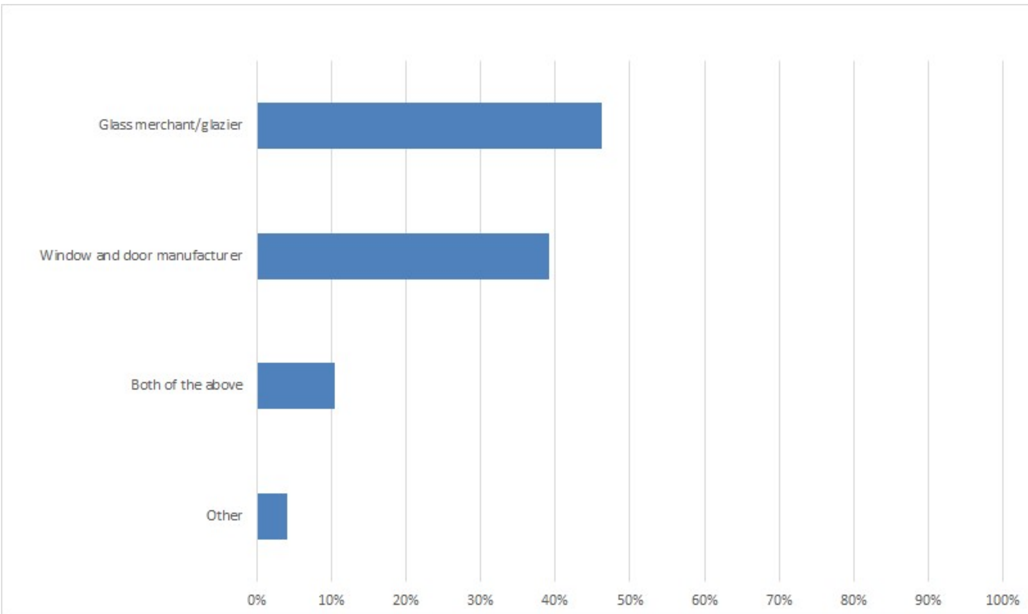
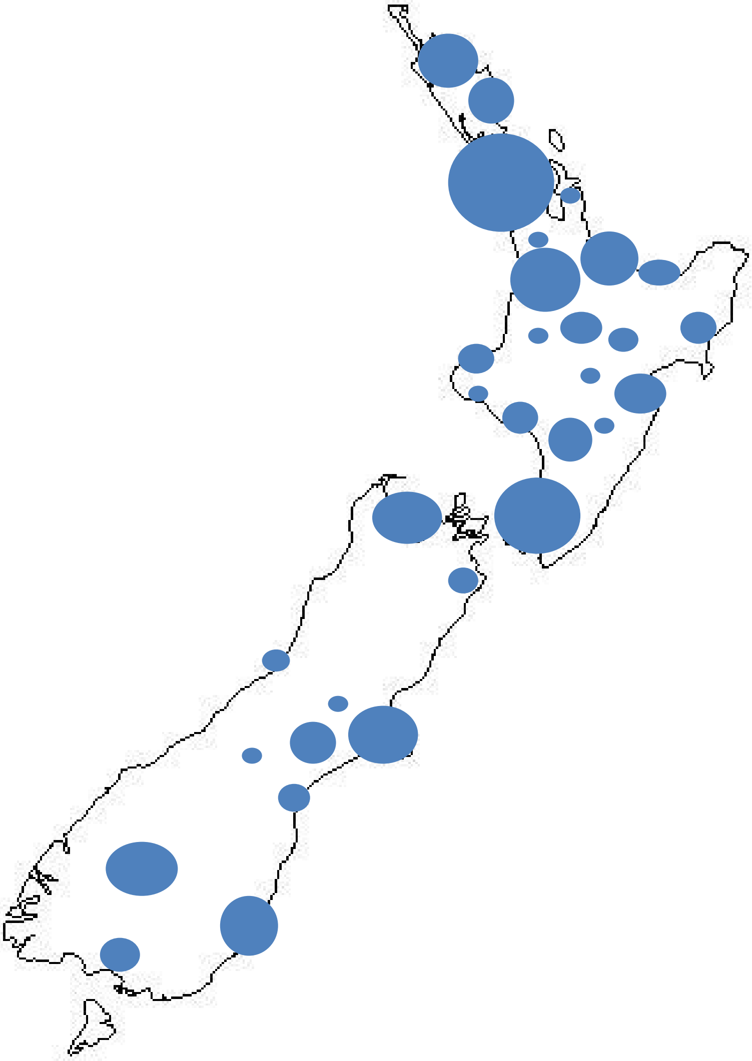
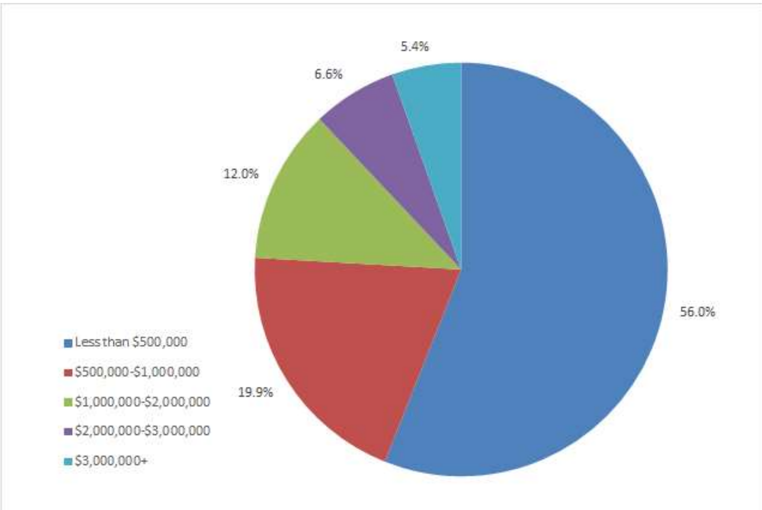


Figure A2: Geographic spread of customers



Note: the map is an approximate indication only and not based on precise location data.

Figure A3: 2024 spend on glass of customers



A6. The survey was also completed by a mix of independent fabricators and fabricators aligned to a prime die holder, as shown in Figures A4 and A5.

Figure A4: Proportion of fabricators that are aligned to a die holder

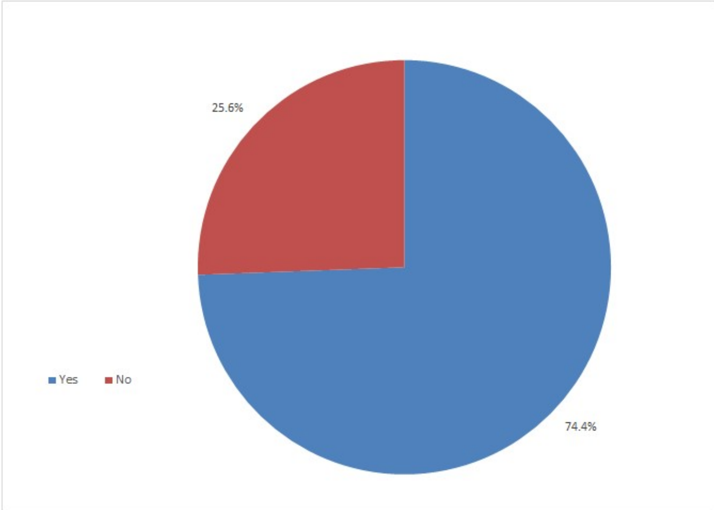
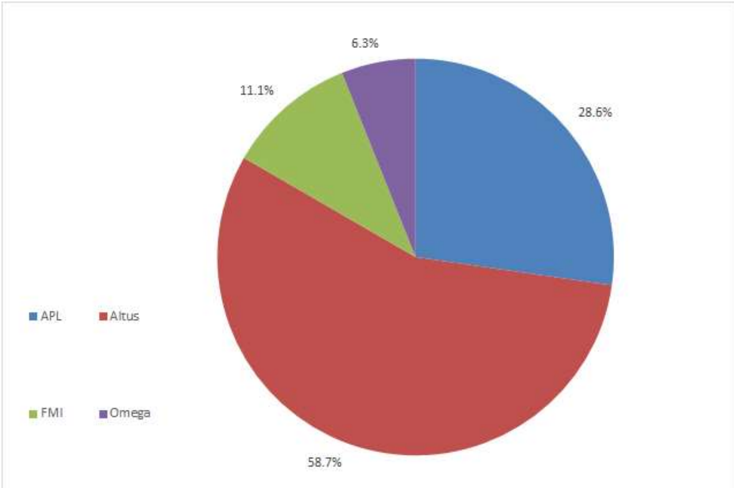


Figure A5: Prime die holder that fabricators are aligned with



Use of Viridian and Metro

A7. Over half of the fabricators and merchant/glazier customers that responded to the survey currently source glass from Viridian or Metro, as shown in Figures A6 and A7.

Figure A6: Proportion of customers that buy from Viridian

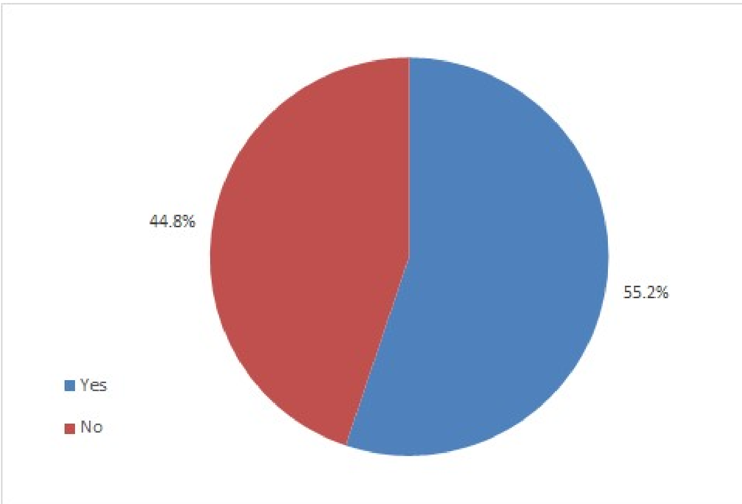
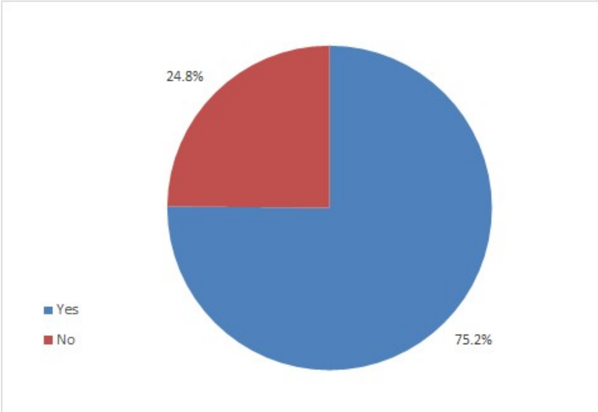


Figure A7: Proportion of customers that buy from Metro



A8. In terms of the fabricators and merchant/glazier customers that responded to the survey that currently source glass from Viridian or Metro:

A8.1 69% of customers that currently source glass from Viridian also source glass from Metro;

A8.2 51% of customers that currently source glass from Metro also source glass from Viridian; and

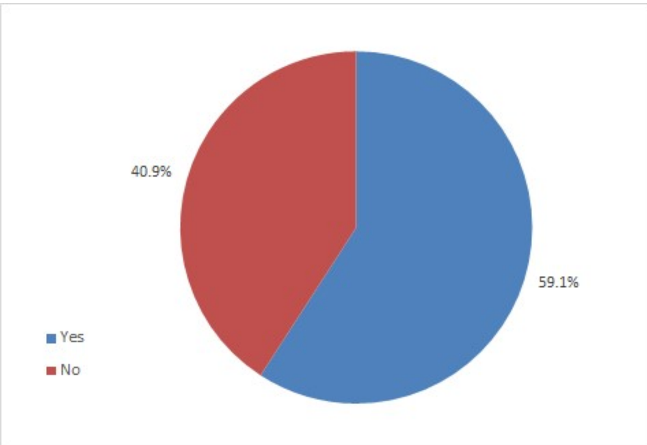
A8.3 18% of Viridian's customers also use its installation services, while 23% of Metro's customers also use its installation services.

A9. The survey results show evidence of customers switching between Viridian and Metro. For fabricators and merchant/glazier customers that said they have stopped using Viridian in the last three years, 68% said they currently source glass from Metro. Of the fabricators and merchant/glazier customers that have stopped using Metro in the last three years, 65% said they currently source glass from Viridian.

Alternatives to Viridian and Metro

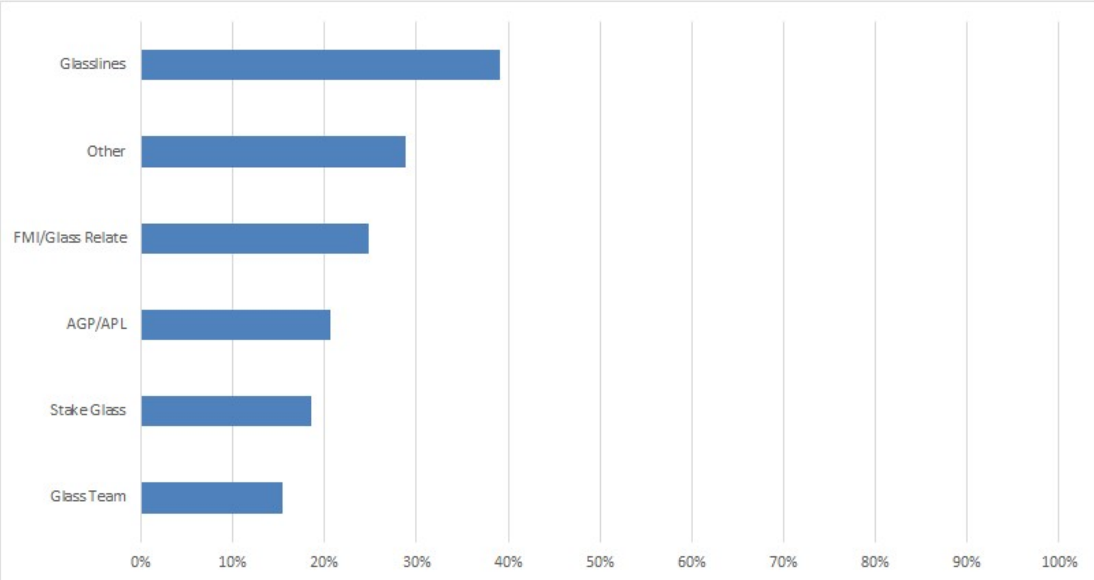
A10. In terms of the alternatives that fabricators and merchant/glazier customers have to Viridian and Metro, a material portion that responded to the survey indicated they also source glass from other glass processors in New Zealand, as shown in Figure A8.

Figure A8: Proportion of customers that buy from other processors



A11. Figure A9 shows that the fabricators and merchant/glazier customers that responded to the survey are using a range of other domestic glass processors. Each bar shows the proportion of respondents (that answered this question) that source supply from these domestic glass processors.

Figure A9: Other domestic glass processors used



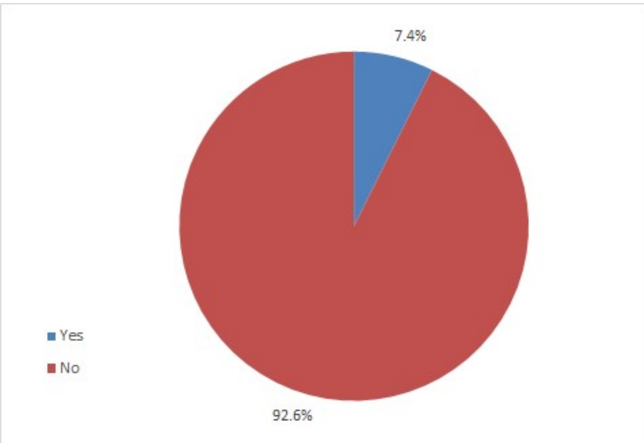
A12. While Figures A8 and A9 indicate that fabricators and merchant/glazier customers source glass from other processors, we note that:

A12.1 Figure A8 shows that close to 40% of the fabricators and merchant/glazier customers that responded to the survey only buy off Viridian or Metro; and

A12.2 88% of the fabricators and merchant/glazier customers that buy from other domestic glass processors also buy off one or both of Viridian and Metro.

A13. Less than 10% of the fabricators and merchant/glazier customers that responded to the survey currently import glass, as shown in Figure A10, and all of these customers also buy glass off one or both of Viridian and Metro.

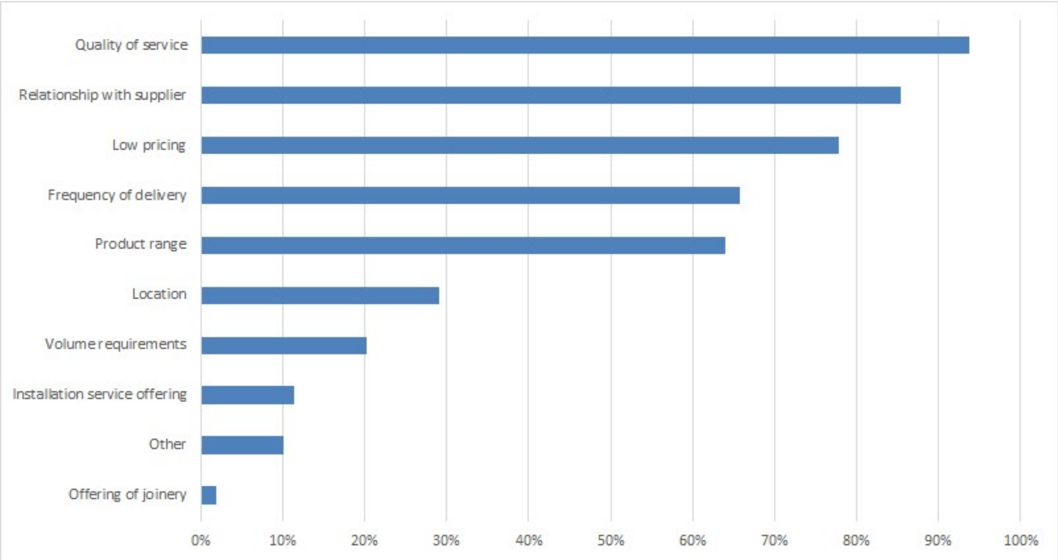
Figure A10: Proportion of customers that currently import glass



Factors relevant to deciding on glass suppliers

A14. Figure A11 shows the factors that are important to fabricators and merchant/glazier customers in choosing how they source glass. Each bar shows the proportion of respondents (that answered this question) that identified this as an important factor. The respondents could select multiple factors.

Figure A11: Factors important in choosing glass supply



Attachment B: Matters on which we invite further information

Market/issue		**Matters/questions**
Market definition		Our current approach to market definition and for parties to provide us with further evidence on the scope of the relevant markets.
Unilateral effects in glass processing markets	Fabricator channel to market	The extent to which regional processors (without a national footprint) could expand their businesses to supply more processed glass to Viridian and Metro's existing customers. The extent to which fabricators would consider switching to one or more of the regional glass processors, if the merged entity were to increase its price or reduce service quality. Examples of Viridian (or other glass processors) lowering their prices to fabricator customers to help them compete downstream (eg, with fabricators aligned to AGP or FMI).
	Merchant/glazier channel to market	The extent to which Viridian and Metro may currently increase prices for merchant/glazier customers on projects where they are also competing for installation work (and the extent to which they can identify these projects when quoting merchants/glaziers). The extent to which merchant/glazier customers are able to switch to other glass processors in response to any price increases by Viridian and/or Metro. The extent to which the Proposed Acquisition may lead to a substantial reduction in choice for these customers.
	Construction channel to market	How processed glass is procured for high-rise projects, including estimates of the extent of high-rise projects that are tendered for, compared to other procurement processes and how those 'other' procurement processes work. The types of high-rise projects that require short lead times and/or customised processed glass, and estimates of the size of this group as a proportion of the high-rise construction market and does this vary by geography.

Market/issue		Matters/questions
		How closely Viridian and Metro compete to supply processed glass to the construction sector. The extent to which Viridian, Metro and other glass processors (national and regional) compete for these customers and whether this varies by customer or project type. The extent to which imports constrain the pricing in this channel of the market.
Unilateral effects in glass installation markets		How closely the glass installation services of Viridian and Metro compete and the extent of competition that would be lost with the Proposed Acquisition. How Viridian and Metro have competitively reacted to each other. The extent to which alternative glass installation providers vary for different types of customers and/or geographical areas. The extent to which customers are willing to switch providers of glass installation services, including examples of where switching has occurred. The extent to which potential entry and expansion may constrain the merged entity. The extent to which the merged entity may be constrained by the ability for customers to self-supply (ie, do their own installation/glazing) and or/sponsor the entry of new glaziers.