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Our ref: IM-72054
Contact officer: Braeden Smith
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14 December 2022

Dear Interested Party

Request for submissions: Spicers' proposed acquisition of Domain Paper

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of Domain Paper (Australia) Pty Ltd (**Domain**) by Spicers Limited (**Spicers**) (the **proposed acquisition**).

Spicers and Domain overlap in the wholesale supply of commercial printing paper, pressure sensitive adhesive material, packaging papers and boards, and sign and display consumables. Further details regarding the acquisition are at **Attachment A**.

The ACCC's investigation is focused on the impact on competition. In particular, we are seeking your views on:

- how closely Spicers and Domain compete with each other, and for which products and services
- which other businesses compete with, or provide similar services and products to, Spicers and Domain
- the likely impact of the proposed acquisition on prices of paper, packaging, pressure sensitive adhesive materials and sign products.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on 23 December 2022**. Responses may be emailed to mergers@acc.gov.au with the title: *Submission re: Spicers Domain Paper - attention Braeden Smith*. If you would like to arrange a time to discuss the matter

with ACCC officers, or have any questions about this letter, please contact Braeden Smith on (02) 6243 4936.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Suzie Copley
General Manager
Policy, Co-ordination and Remedies Branch

Attachment A

Spicers

Spicers Limited is a wholesale supplier of a range of paper, packaging, pressure sensitive adhesive material and sign and display products in Australia and New Zealand.

Spicers is part of the wider Kokusai Pulp & Paper Co Ltd (**KPP**) group. KPP is a Japanese multinational company that operates as a trading house. KPP operations include the importing/exporting of paper board, pulp and other paper related products which KPP acquires from paper mills.

Spicers operates warehouse facilities, in Melbourne, Sydney, Brisbane, Townsville, Adelaide, Perth, Hobart and Darwin.

Domain Paper

Domain Paper is an independently owned wholesaler of pressure sensitive adhesive materials, paper and packaging products, and sign and display consumable products.

Domain Paper operates from a single leased warehouse in Melbourne with approximately 8 employees

Attachment B

1. Please provide a brief description of your business or organisation
2. Please outline your interest in the proposed acquisition, including any commercial relationship/s with either of Spicers and/or Domain.

The questions below have been separated into categories, however, you can answer any question from any category.

Questions for all market participants

3. How closely do Spicers and Domain compete to provide various paper, board, pressure sensitive adhesives and signage materials? When answering, please take into consideration factors such as:
 - a. price
 - b. quality
 - c. the type of product, and any additional services, and
 - d. the geographic area over which you can acquire products
4. Please identify and describe other suppliers of commercial printing paper, pressure sensitive adhesive products, packaging paper and board, and signage materials including the extent to which they compete with Spicers and/or Domain. How strong is the competition that these alternative businesses provide? Are they able to supply all the products that you require?
5. To what extent are you able to acquire commercial printing paper, packaging paper and board, pressure sensitive adhesive products or signage materials directly from paper mills or suppliers overseas? If you have attempted to do this in the past, please provide details of your experience.
6. Please describe your organisation's wholesale purchase/supply of commercial printing paper, packaging paper and board, pressure sensitive adhesives and signage materials. Please include information about the specific types of products you use/supply, how you source/produce these, how they are utilised by customers, volumes/value of your purchases/supply and any particular requirements you have (such as same day delivery etc.).
7. Please explain the barriers to entry and/or expansion into the supply of commercial printing paper, packaging paper and board, pressure sensitive adhesives and signage materials. In your response, please have regard to:
 - a. costs and time required to start supplying the products
 - b. scale required to be competitive
 - c. the need for exclusive/long-term customer contracts or the extent of brand loyalty

- d. market growth/decline, and examples of recent market entry and exit, and
 - e. whether the proposed acquisition would impact the likelihood of new entry.
8. Do you have any concerns about the impact the proposed acquisition will have on competition? Please explain your answer.

Other information or competition issues

9. Please provide any additional information or comments, or identify other competition issues, that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the Act.