

Dear interested party

As you may be aware, **Wesfarmers** proposes to acquire **Australian Pharmaceutical Industries (API)**. We are seeking your views on this proposal because we understand you have an interest in markets that may be affected.

The Australian Competition and Consumer Commission (**ACCC**) is an independent statutory authority responsible for investigating whether mergers are likely to substantially lessen competition. You can view the public register page [here](#).

Wesfarmers is a retail and industrial conglomerate that operates businesses including **Bunnings, Officeworks, Kmart, Target** and **Catch**. API is a pharmaceutical distribution, health and beauty company that operates the **Priceline** retail business and is the franchisor for, and distributes products to, independently owned **Priceline Pharmacies**.

Please see our specific questions below and also address any other issues you think are relevant. We would be happy to receive your response by email or have a discussion with you over the phone or via Microsoft Teams.

If you would like to comment in writing, please do so by **20 December** by return email. Alternatively, email or call me on (02) 6243 1347, or call Tim Byrne on (03) 9658 6440, if you prefer to set up a time to discuss or if you need more time to respond.

Questions

1. Please provide a brief description of your organisation, and the reasons for your interest in the proposed acquisition, including any commercial relationship/s with Wesfarmers or API. This will help us to better understand your views.
2. How competitive are the markets for the supply of beauty and personal care products, and for over-the-counter pharmaceutical products, in Australia?
3. What are the main beauty and personal care, or over-the-counter pharmaceutical products that you supply to Wesfarmers and/or API?
4. What other businesses do you supply these products to?
5. Would the proposed acquisition have any impact on the volume of products ordered by Wesfarmers and/or API, or the prices Wesfarmers and/or API would be willing to pay for your products?
6. Would the proposed acquisition result in any significant impact on the terms or conditions of your supply arrangements with Wesfarmers and/or API for these kinds of products?
7. How closely do Wesfarmers and API compete, particularly regarding these kinds of products?
 - a. Are there significant differences in prices, quality or the range of their products?
 - b. Do they compete more closely in any particular geographic areas?
8. Who are your main competitors in the retail supply of these kinds of products (including Wesfarmers and/or API)? Please estimate market shares where possible.
9. Wesfarmers jointly owns Flybuys and API owns the Sister Club. Would Wesfarmers acquiring Sister Club (and therefore having an interest in both programs) impact competition in any market?
10. Do you have any other concerns regarding the proposed acquisition?

Please clearly indicate if any information you provide is confidential. The ACCC treats sensitive information it receives during a merger review as confidential and will not publish your submission. 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, we will notify you in advance where possible so that you have an opportunity to be heard. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

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

If you have any questions, please let me know.

Kind regards

Steven Lee

Analyst | Merger Investigations | Mergers, Exemptions & Digital Division

Australian Competition & Consumer Commission

Level 17 | 2 Lonsdale Street, Melbourne, VIC 3000

T: 02 6243 1347 | <http://www.accc.gov.au>

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.