

Media Statement

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BP Welcomes Further Engagement with Commerce Commission

BP New Zealand welcomes the opportunity for further engagement with the Commerce Commission during this week's Consultation Conference.

BP New Zealand Managing Director Debi Boffa says there is more to be done, and that the facts presented to the Commission to date do not support the conclusion that the retail fuel market is not workably competitive.

"The Commission has had a huge amount of information to work through in a relatively short period of time. Because of that, although we agree with some of the conclusions reached in the Draft Report, a number of the conclusions don't accurately reflect the complex and competitive nature of our industry."

BP's submission calls for accurate reflection of what it considers to be a workably competitive market, and particularly the impact that ongoing entry, investment and expansion at terminal and retail level have had on competition.

The company also identified issues with the profitability analysis undertaken, disagreeing that fuel retailers have been making persistently high profits and noting that the profitability measures have limited value and cannot be used as a basis for a finding that retailers are making excessive returns.

The next few months will be crucial, according to Boffa. "Many of the Draft Report's recommendations for improvements to competition are achievable, but there is a risk that some could actually have negative outcomes for consumers.

It's incredibly important that potential impacts and unintended consequences are understood before any action is taken so that any outcomes are in the best interest of consumers and the market, and that's what we will be focusing on in our discussions with the Commission this week and beyond."

"BP will continue to work with the Commission, and the Government once the report is finalised" Ms Boffa added.

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