



Australian  
Competition &  
Consumer  
Commission

GPO Box 3131 Canberra ACT 2601  
23 Marcus Clarke Street Canberra ACT  
tel: (02) 6243 1111 fax: (02) 6243 1199  
www.accc.gov.au

# NEWS RELEASE

## ACCC WILL NOT OPPOSE WESFARMERS' PROPOSED ACQUISITION OF PACIFIC BRANDS' THE WORKWEAR GROUP

20 November 2014

The Australian Competition and Consumer Commission has announced that it will not oppose Wesfarmers Limited's (ASX:WES) proposed acquisition of Pacific Brands Limited's (ASX: PBG) The Workwear Group.

Pacific Brands' The Workwear Group is a wholesaler and retailer of industrial and corporate workwear. The Workwear Group portfolio includes the King Gee, Hard Yakka and Stubbies brands.

Wesfarmers currently competes with Pacific Brands as it is a supplier of industrial workwear through its Industrial and Safety Division, and through retailers such as Kmart and Bunnings. The acquisition also involves Wesfarmers vertically integrating into wholesale supply of workwear.

"Wesfarmers will continue to be constrained by a number of existing suppliers and by actual and potential imports from Asia. In retail markets, Wesfarmers will face competition from other retail chains and local outlets for the supply of workwear," ACCC Chairman Rod Sims said.

"New wholesalers and resellers have entered the market in recent years and the ACCC expects that this trend will continue."

The ACCC's public review focused on whether, as a result of the proposed acquisition, Wesfarmers would have the incentive to limit rivals' access to brands such as King Gee and Hard Yakka.

The ACCC closely examined the potential impact of brand loyalty towards the King Gee and Hard Yakka brands in assessing the proposed acquisition.

"Industry feedback suggests that brand loyalty has diminished over recent years as customers become more focused on quality, price and service," Mr Sims said.

The ACCC considered that the proposed acquisition is unlikely to provide Wesfarmers with the incentive to limit access by resellers and retailers to The Workwear Group brands, due to decrease in brand loyalty and the availability of competing products.

Further information is available on the [public register](#).

ASX: WES, PBG

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