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HD **SINGAPORE** oils trader Wilmar International and **Hong Kong** in  
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SINGAPORE oils trader Wilmar International and **Hong Kong** investment **company** First Pacific have cleared the first regulatory hurdle in their \$1.3 **billion** takeover of bread and spreads maker Goodman Fielder.

The Australian Competition and Consumer Commission will not oppose the **acquisition**, even though it will increase Wilmar's share of the edible oils market to more than 50 per cent.

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Goodman Fielder is Australia's largest supplier of branded, packaged edible oils, including salad dressings, cooking oils and table spreads.

Its brands include well-known names such as MeadowLea, Crisco, **Gold'N** Canola and ETA.

Wilmar refines and packs edible oils overseas and supplies them to supermarkets, which sell the products under private label brands.

Goodman Fielder is estimated to have about 52pc of branded edible **oil** sales while private label oils account for between 55pc and 60pc of sales.

The ACCC was concerned that, as a result of the **acquisition**, Wilmar and Goodman would be in a position to raise prices.

But after making market enquiries, the ACCC came to the conclusion that Wilmar and Goodman would continue to be competitively constrained by existing and potential suppliers.

"Packaged vegetable **oil** can be readily imported from international suppliers," ACCC chairman Rod Sims said.

"Wilmar supplies **oil** from its offshore facilities and there are other international companies capable of supplying the Australian market.

"Industry feedback also suggested that packaged vegetable **oil** is considered a commodity product with low levels of brand loyalty, making it easier for retailers to bypass their existing suppliers."

The ACCC also decided that the proposed **acquisition** was unlikely to raise competition concerns in any other markets in which Goodman Fielder or Wilmar was involved.

Wilmar and First Pacific are now awaiting clearance from the Foreign Investment Review Board and the Ministry of Commerce in **China** before proceeding with the offer.

Wilmar and First Pacific are offering Goodman shareholders 67.5 cents a share through a scheme of arrangement.

Earlier this month, Goodman postponed a shareholder meeting to approve the scheme of arrangement for three months until the first quarter of calendar 2015.

The meeting was originally slated to be held in November.

Goodman shares have been trading at a discount to the offer price, about 62.5c, reflecting the time value of money and uncertainty that the deal will proceed at the existing price.

**CO** fdgl : Goodman Fielder Ltd | auccc : Australian Competition and Consumer Commission

**IN** i411 : Vegetable Oils | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | ifood : Food Products

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