



# PNG MOTORS

WE ARE PNG PEOPLE

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A MEMBER OF THE KENMORE GROUP

Received by Finance & Admin  
Date 12/12/08  
Sign F. T.

11/12/08

Mr. Avi Hubert  
Executive Manager  
Independent Consumer & Competition Commission  
Competitive Market & Fair Trade Division  
1<sup>st</sup> Floor Garden City  
P.O. Box 6394  
Boroko. NCD

Dear Mr. Hubert,

**RE: CLEARANCE APPLICATION FOR TOYOTA TSUSHO T/A  
ELA MOTORS TO ACQUIRE THE ASSETS OF AUTO CLINIC**


This is to inform you that after reviewing the above Clearance Application, we feel that there will be no adverse impact on competition in the market, and therefore have no objection to this acquisition.

Yours Faithfully,

Maurice Dunlop  
General Manager  
PNG Motors



[www.pngmotors.com](http://www.pngmotors.com)



**SEVEN MOTORS LTD**  
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- Dealer of New and Used Cars and Trucks
- Plant Hire
- Suzuki Auto Port

11<sup>th</sup> December 2008

Independent Consumer &  
Competition Commission  
P.O.Box 6394  
**BOROKO**  
NCD

Dear Sir,

**RE: CLEARANCE OF BUSINESS ACUQISSION FOR TAC BY ELA MOTORS LIMITED**

In reference to above hcadline, we applaud Ela Motors as a major and a leading Motor dealer in PNG. It provides effective and efficient services for the nation decades of years.

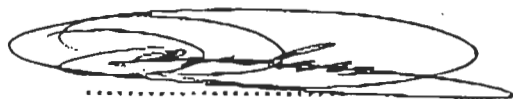
They are in a better position to extend further in similar or ventures into different business in PNG.

Howcver, its fair that Ela Motors does not involve too much in manipulation of the car/truck dcaling industry.

We appreciate Ela Motors limited will be flexible as it always been in the last 30 years.

Respectfully forwarded

Yours Sincerely



.....  
Paul Pandan (Mr.)  
Managing Director

Tuesday, December 09, 2008

To

Mr. Avi Hubert  
Executive Manager  
Competitive Market & Fair Trade Division  
Independent Consumer & Competition Commission  
P.O. Box 6394  
Boroko  
National Capital District



Received by Finance & Admin

Date 10/12/08

Sign F.T.

Dear Sir,

Re: Toyota Tsusho (PNG) Limited T/A Ela Motors Clearance Application to Acquire Assets in The Auto Clinic Limited

The management acknowledges receiving your letter dated Wednesday 03 December 2008 and appreciates the information provided by the Commission on the impending acquisition of The Auto Clinic by Toyota Tsusho (PNG) Limited T/A Ela Motors.

The management feels that the impending acquisition will be a detriment to the competitive market in the form of the manipulation of the market by a single entity.

In this regard the management puts forward the company's view on the acquisition:

#### Point of View 1: Country's Economy

AutoZeal views trade as a tool to improve the country's economy and as such we are of the view that:

- a. The acquisition of The Auto Clinic by Ela Motors can be viewed as manipulation by a major company within the country, through the limitation of competition. In limiting competition, the small service providers, such as AutoZeal, will be greatly affected in terms of the obstruction of the development and growth of their business, as the small operators will not be able to expand their business interests in the country. Business growth means more investments injected into the country's economy.
- b. AutoZeal as well as other service providers in the country, provide valuable investment capital into the country's economy, the acquisition of The Auto Clinic will leave one less investor in the country.

#### Point of View 2: Commercial and Competition

Competition in all aspects is good for the consumer as the consumer has options of getting better value for the product marketed. When there is competition in the market, the consumers have access to make choices. As such;

- c. Should Ela Motors acquire The Auto Clinic, they will be reducing the number of competitors in the industry and eventually will be the only service provider in the market. In this position Ela Motors will have a greater power in dictating the price of the goods, and controlling the market as a monopoly.

- d. Also, as it has frequently been seen where there is no competition, the services offered by the entity will be poor and the prices of their products and services will be much higher than when there is competition. This will impact greatly on the consumer, thus the acquisition of The Auto Clinic will not only affect us, the service providers, but the effect will trickle down to the consumers as well.

**Point Of View 3: Business and Partnerships**

AutoZeal believes in developing respectful partnerships within the industry and forges to provide valuable competition and mutual understanding with other service providers.

- e. If Ela Motors acquires The Auto Clinic, they would be in a position to control the service market and in this regards dictate the price of the vehicles, as it is currently doing to Toyota spare parts. Thus, Ela Motors will be in a greater bargaining position than any other service provider in regards to Toyota vehicles and other brand.

**Point Of View 4: Clients Independence**

Fair Trade encourages trading independence by all interested parties. However;

- f. With Ela Motors's interest to buy off The Auto Clinic would create increased dependence on Ela Motors by the other service providers who will be looking to Ela Motors to provide them with specific services; i.e., brand and model related.

With these views, we strongly believe that the impending acquisition of The Auto Clinic is not in the best interest of the industry, the consumers and the country as a whole. Therefore, as a competitor, as we have stated, Toyota Tsusho (PNG) Limited T/A Ela Motors should not acquire The Auto Clinic.

Kindly refer to the above and if there is any further need for a discussion on the issue, please do not hesitate to contact the undersigned.

Yours sincerely,



Bernard George  
For *AutoZeal International Ltd*