

Submission to the Australian Competition and Consumer Commission (ACCC)

[Restriction of Publication of Part Claimed]

A.P. Eagers Limited application for merger authorisation MA1000018

Submission: Europcar

Date of submission: 24 May 2019

Europcar's operations

1. Europcar is a national hire car company, operating in all states of Australia

Process for purchasing fleets

2. When purchasing fleet vehicles, Europcar will conduct tenders with car manufacturers, generally for various types of vehicles (e.g. small cars, SUVs, etc). At this time, discounts off the car's RRP will be negotiated with the manufacturer.
3. Once Europcar has chosen the successful manufacturer, Europcar may then approach the manufacturers' dealerships to negotiate terms on a number of vehicles for a buyback of the vehicles at a certain age or mileage. Car dealerships will compete on the basis of the price offered for the car at the time of buyback and with regard to added inclusions, such as maps and service plans.

Geographic area

4. Europcar will generally only consider dealerships within capital cities as the bulk of their fleet within a State will be located at the largest airport. Europcar's buyback arrangements with the dealership may be for some of the vehicles within the State.
5. Europcar does currently procure some vehicles on a national basis.

Impact of the proposed acquisition

6. Europcar does not have any concerns in relation to the impact of the proposed acquisition.
7. It does not have any arrangements with AP Eagers dealerships at this time, although did consider an AP Eagers dealership within Tasmania in a recent process.
8. Europcar has one arrangement with an AHG Subaru dealership in Western Australia. AHG was awarded the contract because it offered a good buyback price after 12 months.
[REDACTED]
9. Europcar considers that there is a large number of alternative dealerships around Australia that would constrain an attempted decrease in buyback prices and/or added inclusions if the proposed acquisition proceeded.
10. If the proposed acquisition proceeded and AP Eagers sought to enter into buyback arrangements with Europcar on a national basis, Europcar considered that it could still

disaggregate its contracts and continue to make buyback arrangements the way it is now. Alternatively, car dealerships in one state could make arrangements with those in another state to also compete on a national basis against AP Eagers.