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17 August 2026

Mr. Roy Daggy
Commissioner and Chief Executive Officer
Independent Consumer and Competition Commission
P.O. Box 6394
BOROKO
National Capital District

[redacted]

Dear Commissioner,

SUBJECT: AUTHORIZATION APPLICATION BY SEABREEZE POULTRY LIMITED FOR THE PROPOSED ACQUISITION OF THE POULTRY BUSINESS OF MAINLAND HOLDINGS LIMITED

I refer to your letter dated, 07 July 2026, seeking the views of the Department of Treasury on the Authorization Application lodged by Seabreeze Poultry Limited (SPL) for the proposed acquisition of the poultry business of Mainland Holdings Limited (MHL).

The Department has considered the proposed transaction and its broader implications for competition, market structure, investment and economic development within Papua New Guinea.

Treasury acknowledges the potential benefits that may arise from the proposed acquisition, including increased investment, operational efficiencies, technical expertise and expanded production capacity through the participation of the Wilmar Group. Treasury recognises the importance of continued investment and development in Papua New Guinea's poultry industry to support economic growth, food security and employment opportunities.

At the same time, Treasury notes the competition concerns identified by the Commission during its assessment of the proposed acquisition. In particular, Treasury notes the potential for increased market concentration within the poultry and stock feed sectors and the strengthening of vertical integration across key segments of the poultry value chain. Treasury further notes that poultry products operate within a protected domestic market environment, with imports subject to tariff protection and strict biosecurity restrictions. As a result, effective competition among domestic suppliers remains important in promoting consumer choice, affordability, innovation and efficient market outcomes.

Treasury acknowledges that the proposed transaction may improve the efficiency and competitiveness of the acquired poultry operations. However, Treasury considers that the principal issue for consideration is whether the proposed structure promotes effective competition within the broader market, particularly in relation to access to stock feed and other key inputs required by competing poultry producers.

In this regard, Treasury considers that, should the Commission be satisfied that the public benefits outweigh the likely public detriments, consideration should be given to appropriate safeguards, conditions or regulatory measures to ensure fair and non-discriminatory access to stock feed and other critical inputs. Such measures may assist in addressing potential competition concerns while supporting continued investment, industry growth and expansion of Papua New Guinea's poultry sector.

The Department therefore encourages the Commission to carefully assess the balance between the potential investment and industry development benefits of the proposed acquisition and the competition concerns associated with increased concentration and vertical integration within the poultry value chain.

The formal submission outlining Treasury's detailed analysis and comments on the authorization application is attached for the Commission's consideration.

Thank you for the opportunity to provide Treasury's views on this matter.

Yours sincerely,

NAPAE HURIM
Acting Secretary

DEPARTMENT OF TREASURY' COMMENTS

FORMAL SUBMISSION TO THE INDEPENDENT CONSUMER & COMPETITION COMMISSION (ICCC)

Assessment of the Authorization Application by Seabreeze Poultry Limited (SPL) for the Proposed Acquisition of the Poultry Business of Mainland Holdings Limited (MHL)

17 AUGUST 2026

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1. INTRODUCTION & CONTEXT

The Department of Treasury (Treasury) provides this formal submission to the Independent Consumer and Competition Commission (ICCC) regarding the Authorization Application lodged by Seabreeze Poultry Limited (SPL). SPL seeks regulatory approval under Section 85 of the *Independent Consumer and Competition Commission Act 2002* (ICCC Act) to acquire the complete poultry business operations of Mainland Holdings Limited (MHL).

Under the proposed transaction structure, MHL's poultry assets – comprising its commercial broiler farms, parent stock breeding infrastructure, hatcheries, processing facilities, table egg production and the established *Niugini Table Birds* distribution network – would be transferred to SPL. Following the transfer, SPL would operate as a joint venture entity owned 51 percent by Associated Mills Limited (AML) and 49 percent by MHL.

This transaction was initially reviewed by the ICCC under the merger clearance provisions of Section 81 of the ICCC Act. The Commission declined to grant clearance after identifying substantial competition concerns, concluding that the transaction would likely lead to a substantial lessening of competition in Papua New Guinea's poultry and stock feed sectors. Consequently, the applicants were directed to the formal authorization process, where the legal burden rests entirely on SPL to demonstrate that the transaction generates public benefits sufficient to outweigh its clear anti-competitive harms.

Treasury's submission evaluates the broader macroeconomic, market structure and public policy implications of this proposed acquisition. Poultry represents the primary and most affordable source of animal protein for the majority of Papua New Guineans, making the competitive integrity of this supply chain a matter of national economic importance and household security.

2. TREASURY'S OVERALL POSITION

Treasury recognises the potential benefits that may arise from the proposed acquisition, including increased investment, access to technical expertise, operational efficiencies and the potential expansion of poultry production capacity through the participation of the Wilmar Group.

At the same time, Treasury notes the competition concerns identified by the ICCC, particularly in relation to increased market concentration and the strengthening of vertical integration between stock feed manufacturing and poultry production. Treasury considers that the key issue is whether the proposed transaction promotes effective competition within the broader market while supporting investment and growth in Papua New Guinea's poultry sector.

3. MARKET ENTRY AND COMPETITIVE RIVALRY

Treasury notes the ICCC's concern that the proposed transaction may reduce the prospect of independent market entry by the Wilmar Group into Papua New Guinea's poultry sector. Through AML, Wilmar would obtain its interest in the poultry market through acquisition of an existing poultry business rather than by establishing a separate competing operation.

However, Treasury acknowledges that there is no certainty that Wilmar would otherwise enter the market independently and that the commercial rationale for MHL's proposed divestment has not been fully articulated. The principal issue therefore is not whether Wilmar participates in the poultry sector, but whether the proposed ownership structure promotes effective competition and market contestability over the long term.

4. VERTICAL INTEGRATION AND STOCK FEED SUPPLY

Treasury considers that the most significant competition concern relates to the proposed integration of stock feed manufacturing and poultry production.

Stock feed is a critical input into commercial poultry production and represents a substantial share of poultry production costs. AML is a major participant in the domestic stock feed market, while MHL operates one of Papua New Guinea's largest poultry businesses.

The proposed acquisition may increase the merged entity's ability and incentive to influence access to key inputs and supply chains. This may create challenges for independent poultry producers and future market entrants that rely on access to competitively priced stock feed and other production inputs.

Treasury therefore considers that any assessment of the authorization application should carefully examine whether competing poultry producers will continue to have fair and non-discriminatory access to critical production inputs.

5. MARKET CONCENTRATION

The proposed transaction would increase concentration within parts of the poultry value chain, including feed supply, poultry production and distribution.

Treasury acknowledges that Wilmar's entry may bring additional capital, expertise and operational improvements. However, the transaction would combine an existing major poultry business with a Wilmar-controlled entity rather than introducing an additional independent competitor into the market.

The resulting market structure may reduce competitive pressure on pricing, service quality and innovation, particularly where smaller competitors face challenges in accessing inputs, finance and distribution channels.

6. IMPLICATIONS FOR CONSUMERS AND SMALLHOLDER PRODUCERS

Treasury considers that effective competition remains particularly important in the poultry sector because poultry products operate within a protected domestic market environment.

Imports of poultry products are subject to tariff protection [1] and strict biosecurity restrictions[2], which limit the extent to which imported products can exert competitive pressure on domestic suppliers. As a result, competition between domestic producers remains a key mechanism for promoting affordable prices, consumer choice and efficient market outcomes.

Treasury notes that many smallholder producers depend on access to day-old chicks, stock feed and poultry distribution networks. Continued access to these inputs on fair and reasonable commercial terms is important for supporting rural livelihoods and industry participation.

7. ASSESSMENT OF CLAIMED PUBLIC BENEFITS

Treasury acknowledges the applicant's claims regarding:

- increased investment;
- operational efficiencies;
- production expansion;
- technology transfer; and
- food security benefits.

Treasury further acknowledges that Wilmar Group possesses significant technical expertise, financial resources and operational experience that may contribute positively to the development of Papua New Guinea's poultry industry.

However, Treasury considers that these benefits should be assessed alongside the potential competition concerns associated with increased market concentration and stronger vertical integration. Based on the information

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[1] Papua New Guinea Customs Service, which regulates trade entry, manages Tariff & Duty schedules, and intercepts undeclared or falsely documented poultry shipments to protect local markets and enforce legal trade compliance.

[2] National Agriculture Quarantine and Inspection Authority (NAQIA), acting as PNG's biosecurity watchdog, which regulates sanitary standards, issues animal product import permits, and executes temporary trade restrictions or suspensions on overseas poultry to safeguard against Avian Influenza risks.

available, Treasury considers that further consideration is required as to whether the claimed public benefits are sufficiently demonstrated and whether they outweigh the identified competition risks.

8. CONSISTENCY WITH COMPETITION POLICY OBJECTIVES

Treasury supports policy settings that encourage investment, productivity growth, innovation, food security and consumer welfare.

Treasury considers that these objectives are best achieved through market structures that encourage competition while also supporting commercially sustainable investment. Accordingly, any authorization decision should seek to balance the benefits of investment and industry development with the need to maintain effective competition and opportunities for future market participation.

9. CONCLUSION

Treasury concludes that the proposed acquisition has the potential to generate investment and industry development benefits through the participation of the Wilmar Group.

However, the transaction also raises legitimate competition concerns, including:

- increased concentration within the poultry and stock feed sectors;
- stronger vertical integration across the poultry value chain;
- potential barriers to entry and expansion for competing firms;
- potential impacts on access to stock feed and other key production inputs; and
- potential implications for consumers in a market where import competition is constrained by tariff and biosecurity protections.

These matters warrant careful consideration by the Commission as part of its assessment of the authorization application.

10. RECOMMENDATION

Treasury recommends that the ICCC carefully assess whether the competition concerns associated with the proposed acquisition can be appropriately addressed through conditions, safeguards or other regulatory measures, particularly in relation to maintaining fair and non-discriminatory access to stock feed and other critical inputs for competing poultry producers.

Should the Commission be satisfied that the public benefits of the transaction outweigh the likely public detriments, Treasury encourages consideration of appropriate measures to preserve effective competition while supporting continued investment, expansion and advancement of Papua New Guinea's poultry industry.