



Statement of Issues

9 October 2025

Yamaha Motor Australia Pty Ltd's proposed acquisition of Telwater Pty Ltd

Purpose

1. Yamaha Motor Australia Pty Ltd (**Yamaha**) has entered into an agreement with Bombardier Recreation Products Incorporated (**BRP**) and BRP Australia Pty Ltd (**BRP Australia**) to acquire 100% of the shares in Telwater Pty Ltd (**Telwater**), and a property in Coomera, Queensland, that is currently used to manufacture, fit and warehouse aluminium trailer boats (together, the **Proposed Acquisition**).
2. This Statement of Issues:
 - a. gives the Australian Competition and Consumer Commission's (**ACCC**) preliminary views on competition issues arising from the Proposed Acquisition
 - b. identifies areas of further inquiry, and
 - c. invites interested parties to submit comments and information to assist our assessment of the issues.
3. Statements of Issues do not refer to confidential information provided by the parties or other market participants and therefore may not fully articulate the ACCC's preliminary position.

Overview of ACCC's preliminary views

4. In considering the Proposed Acquisition, the ACCC applies the legal test set out in section 50 of the *Competition and Consumer Act 2010* (the **CCA**). In general terms, section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

5. The ACCC divides its preliminary views into three categories, 'issues of concern', 'issues that may raise concerns' and 'issues unlikely to raise concerns'. In this Statement of Issues there is one 'issue of concern', one 'issue that may raise concerns' and one 'issue unlikely to raise concerns'.

Issue of concern – foreclosure of competition in the wholesale supply of outboard motors

6. The ACCC's preliminary view is that the Proposed Acquisition is likely to have the effect of substantially lessening competition in the wholesale supply of outboard motors in Australia.
7. Telwater is regarded as the leading aluminium trailer boat brand in Australia. A Telwater aluminium trailer boat is considered by many dealers to be a very important product, with high brand recognition, limited alternative wholesale suppliers of aluminium trailer boats available and moderate to high barriers to entry and expansion.¹ The brand of outboard motor is typically considered an important but secondary consideration for aluminium trailer boat dealers.
8. As a result of the Proposed Acquisition, the merged entity would have the ability and incentive to leverage from its position in the wholesale supply of aluminium trailer boats to link the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats, either requiring or strongly incentivising Telwater dealers to not supply competing outboard motor brands, or to not supply Telwater aluminium trailer boats with rival outboard motors.
9. Such strategies risk foreclosing current and future rival outboard motor suppliers' access to dealers and reducing their scale, significantly impacting competition in the supply of such products. This reduction in competition may result in higher prices and reduced choice for consumers.

Issue that may raise concerns – foreclosure of competition in the wholesale supply of aluminium trailer boats

10. The ACCC's preliminary view is that the Proposed Acquisition may have the effect of substantially lessening competition in the wholesale supply of aluminium trailer boats in Australia.
11. The ACCC is still considering whether the merged entity post-acquisition would have the ability and incentive to require or incentivise Yamaha dealers to not sell competing aluminium trailer boat brands or not sell Yamaha outboard motors with any new rival aluminium trailer boat. This concern is the mirror of the previous concern and involves the merged firm leveraging from its position in outboard motors (with the Yamaha brand) to substantially lessen competition in the supply of aluminium trailer boats.
12. The ACCC is particularly concerned that a material loss in sales for rival aluminium trailer boat manufacturers may significantly impact their economies of scale, and in turn their competitiveness, because these boats are predominantly manufactured in Australia with most supplied to the domestic market, creating a

¹ Dealers retail boat products to consumers in Australia, including, but not limited to, boats (aluminium and/or fiberglass), boat trailers, outboard motors and boat parts and accessories. References to dealers in this Statement refer to boat dealers and these dealers typically also sell outboard motors.

greater risk that these businesses may be foreclosed and permanently exit the manufacture and supply of aluminium trailer boats.

13. A significant proportion of outboard motor sales are for repowering a used boat with a new outboard motor. Any strategy to link the sale of Telwater aluminium trailer boats to Yamaha outboard motors would likely need to avoid requiring those end customers that wish to only repower an existing boat to buy a new Telwater aluminium trailer boat. The ACCC considers that the merged firm is likely able to adopt a strategy which does not affect these repower sales.

Issue unlikely to raise concerns – reduced competition in wholesale supply of aluminium trailer boats due to the merged entity’s access to commercially sensitive information of rivals

14. The ACCC’s preliminary view is that while the merged firm would likely have increased access to the commercially sensitive information of rival aluminium trailer boat suppliers (including through the supply of Yamaha floorplan financing to Yamaha/non-Telwater dealers), access to such information is unlikely to give rise to a substantial lessening of competition in the wholesale supply of aluminium trailer boats.

Making a submission

15. The ACCC invites submissions from interested parties on the following key issues:
 - a. the likelihood that the merged entity would, post-acquisition, have the ability and incentive to link the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats, foreclosing rival outboard motor suppliers and/or increasing barriers to entry or expansion. Please provide examples of how the linking of sales is likely to occur and the likely competitive effects of such behaviour
 - b. the likelihood that the merged entity would, post-acquisition, have the ability and incentive to link the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors in a manner that is likely to foreclose rival aluminium trailer boat suppliers and/or increase barriers to entry or expansion. Please provide examples of how the linking of sales is likely to occur and the likely competitive effects of such behaviour, and
 - c. the likelihood the Proposed Acquisition would confer a competitive advantage on the merged entity as a result of increased access to the commercially sensitive information of rival aluminium trailer boat suppliers and the extent of any competitive impact.
16. Interested parties should provide submissions by **5pm on 23 October 2025**.
17. Responses may be emailed to mergers@accc.gov.au with the title: Submission re: Yamaha/Telwater. If you would like to discuss the matter with ACCC staff or have any questions about this Statement of Issues, please email mergers@accc.gov.au.
18. The ACCC anticipates making a final decision on **4 December 2025**, however, this timeline can change. To keep up with possible timing changes and to find relevant documents, interested parties should visit the Mergers Register on the ACCC's

website at www.accc.gov.au/publicregisters/mergers-registers/public-informal-merger-reviews.

Confidentiality of submissions

19. The ACCC will not publish submissions regarding the Proposed Acquisition. The ACCC will not disclose submissions to third parties (except its advisors /consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the CCA. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, please identify any confidential information that is provided to the ACCC. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

About ACCC 'Statements of Issues'

20. A Statement of Issues is not a final decision about a proposed acquisition. A Statement of Issues outlines the ACCC's preliminary views and identifies further lines of inquiry.
21. A Statement of Issues provides an opportunity for all interested parties (including customers, competitors, shareholders and other stakeholders) to ascertain and consider the primary issues identified by the ACCC. It is also intended to provide the merger parties and other interested parties with the basis for making further submissions should they consider it necessary.

The parties

Yamaha Motor Australia

22. Yamaha Motor Company Ltd (**YMC**) manufactures outboard motors in Asia, primarily in Japan, and imports them into Australia through its wholly owned subsidiary, Yamaha. Yamaha supplies the outboard motors to dealers Australia wide. Dealers then supply the outboard motors to end customers.
23. Yamaha currently supplies outboard motors to over 100 dealers in Australia.
24. Yamaha does not manufacture boats in Australia. YMC subsidiaries manufacture trailer boats overseas for various international markets. Yamaha and a related business have supplied a small number of these trailer boats to dealers in Australia, primarily via a third-party Australian distributor. Yamaha also owns the trademarks for a small number of aluminium trailer boat and trailer brands, which were previously licensed to a third-party manufacturer and are not currently in use. Yamaha does not supply trailers for boats in Australia.

Telwater

25. Telwater manufactures aluminium trailer boats and trailers in Australia and supplies them to dealers, who then sell to end customers. Telwater has three lines of trailer boats: Quintrex, Stacer (both pressed aluminium brands) and Yellowfin

branded boats (a 'plate' aluminium brand). Pressed aluminium is a thinner, mass-produced aluminium sheet typically used for smaller boats as well as medium to larger boats, while plate aluminium is thicker and more robust, designed for more extreme conditions, and typically used for medium to larger boats.

26. Each of Telwater's boat lines is slightly different, with Quintrex regarded as a more premium brand, Stacer marketed as a reliable, value-focused brand and the Yellowfin plate brand as suitable for speciality fishing for serious anglers. Information provided to the ACCC indicates that Telwater's Quintrex and Stacer brands comprise the majority of its trailer boat sales in Australia.
27. Telwater supplies custom-fitted trailers that are sold together with its boats (Telwater branded), or loose trailers (under the brand name 'Move') that can be used for any trailer boat.
28. Telwater boats are either sold to dealers as a) a boat only, b) a boat and trailer package, or c) a boat, trailer and outboard motor package.

Industry background

Aluminium trailer boats

29. Trailer boats are small marine vessels that can be fitted to a trailer for easy transportation and generally range between 2 – 9 metres in length. Trailer boats can be made from various materials, with the most common being aluminium, fibreglass or plastic.
30. Aluminium trailer boats are primarily used for recreational boating in Australia. Market participants contend that there are separate markets for aluminium trailer boats and fibreglass trailer boats as they each have distinct characteristics. Aluminium trailer boats are generally lighter, more durable and generally less expensive than fibreglass trailer boats. As such, aluminium trailer boats appeal to a different customer compared with boats made from alternative materials.
31. Most of the aluminium trailer boats sold in Australia are manufactured in Australia.
32. Other manufacturers of aluminium trailer boats in Australia include Sea Jay, Horizon and Stessl, Bar Crusher, and Bluefin.

Outboard motors

33. Trailer boats generally use an outboard motor, irrespective of whether the boat is manufactured from aluminium, fibreglass or plastic. Outboard motors are standalone systems that are installed to the outside hull of the boat, as opposed to inboard motors which are installed inside the boat's hull and used for larger boats (e.g. yachts and ships). Outboard motors are generally manufactured overseas and imported into Australia.
34. Outboard motors are attached to new trailer boats for sale and/or when repowering older trailer boats (e.g. when the existing engine needs replacing). Rigging must also be attached to the trailer boat for the outboard motor to function. Rigging generally differs between outboard motor brands, and consists of cables, wires, gauges, filters, a propellor and, sometimes, a digital control system.

35. The useful life of a motor can be substantially shorter than a trailer boat, such that a significant proportion of outboard motors sold in Australia are for repowering a used boat.²
36. Other main suppliers of outboard motors in Australia include Mercury, Suzuki, Honda, and Tohatsu.

Distribution of aluminium trailer boats and outboard motors to end customers

37. Generally, manufacturers of aluminium trailer boats and outboard motors sell their products to dealers who then sell to end customers. The vast majority of new aluminium trailer boats are sold to end customers with an outboard motor attached and most aluminium trailer boat dealers are also dealers of outboard motors. Similarly, a large proportion of outboard motor dealers are also aluminium trailer boat dealers; although the ACCC understands that some outboard motor dealers only retail outboard motors and focus on repowering used boats.
38. Dealers tend to be exclusive suppliers for one brand of trailer boat and one brand of outboard motor. This often reflects the rebates and other incentives offered to dealers by wholesale suppliers of aluminium trailer boats and outboard motors which disincentivise dealers from stocking competing brands.
39. While the ACCC is still considering the number of aluminium trailer boat dealers in Australia and the brands each supplies, our preliminary view is that Telwater has a particularly extensive dealership network in Australia, significantly larger than the network of rival aluminium trailer boat brands.
40. At least half of Telwater dealers are also Yamaha outboard motor dealers, while the remaining Telwater dealers retail non-Yamaha motors. A very small proportion of Telwater dealers retail more than one outboard motor brand.
41. Yamaha also has an extensive dealer network for the wholesale supply of its outboard motors. Mercury, a rival outboard motor supplier also has a large dealer network. However, the remaining rival outboard motor suppliers have significantly smaller distribution networks than Yamaha and Mercury.
42. The ACCC understands that there are three different options for a dealer to have an outboard motor fitted to an aluminium trailer boat:
 - a. Factory-packaged trailer boat (rigging and motor attached at the factory) – the boat manufacturer purchases the rigging and outboard motor and attaches both to the boat before supplying the combined product as a ‘packaged boat’ to a dealer, or in some cases, to an end customer. This is commonly referred to as a ‘BMT’ (i.e. a boat, outboard motor and trailer) package.
 - b. Factory pre-rigged (rigging only attached at the factory) – the boat manufacturer purchases the rigging for a specific type of outboard motor brand and attaches the rigging to the boat before supplying it to a dealer. The dealer then separately purchases and attaches the outboard motor.

² Based on information provided to the ACCC, we understand that aluminium trailer boats are likely to have an economic life of 20 to 40 years, whereas motors last between 5 and 15 years.

- c. Post-manufacturing stage (rigging and motor attached at the boat dealership) – the dealer purchases the rigging and outboard motor separately to the trailer boat with the dealer attaching both to the boat as part of the preparation of a new boat for sale.
43. The ACCC understands that some aluminium trailer boat dealers prefer purchasing a boat that is pre-rigged for the relevant motor brand (item b in paragraph 42 above), or less frequently, a BMT (item a in paragraph 42 above). These options allow dealers to save time and costs and also mean a dealer does not need to hire staff to rig and/or attach outboard motors to boats.
44. However, the ACCC understands that a significant proportion of Telwater aluminium trailer boats are supplied to dealers without pre-rigging or a motor (item c in paragraph 42 above).
45. Telwater currently offers its dealers the option of factory pre-rigging for Yamaha motors, and BMTs fitted with Mercury or Rotax motors, subject to dealership arrangements being in place with those outboard motor suppliers.³ We understand that currently only a relatively small proportion of Telwater boats are pre-rigged for a Yamaha motor or sold to dealers as a factory BMT package (attaching a Mercury or Rotax motor).

The Proposed Acquisition

46. On 1 April 2025, YMC announced that Yamaha had signed agreements with BRP and BRP Australia to acquire 100% of the shares in Telwater and a property in Coomera, Queensland, that is currently used to manufacture, fit and warehouse aluminium trailer boats.

Future with and without the acquisition

47. In assessing a proposed acquisition under section 50 of the CCA, the ACCC considers the effects of the acquisition by comparing the likely future state of competition if the acquisition proceeds (the 'with' position) to the likely future state of competition if the acquisition does not proceed (the 'without' position) to determine whether the proposed acquisition is likely to substantially lessen competition in any relevant market.
48. Consistent with the ACCC's approach set out in its Merger Assessment Guidelines,⁴ the ACCC is considering a likely future state of competition 'without' the Proposed Acquisition (the counterfactual) that would be similar to the state of competition prevailing at the time of the Proposed Acquisition, that is, the status quo. In this transaction, the status quo is one in which Telwater continues to operate as it does currently.

³ Mercury Marine has had an engine supply agreement with Telwater since May 2020. Telwater has been supplying boats to dealers that are pre-rigged for Yamaha motors since June 2023. BRP manufactures Rotax outboard motors. The ACCC understands that Rotax is not a leading outboard motor brand sold in Australia.

⁴ See ACCC, Merger Assessment Guidelines, June 2025.

Areas of competition and potentially relevant markets

49. There is no significant overlap between Yamaha and Telwater in the manufacture and wholesale supply of aluminium trailer boats or outboard motors.
50. While Yamaha and Telwater both supply outboard motors to dealers in Australia, Telwater only supplies outboard motors as part of a package with its trailer boats.
51. However, Yamaha and Telwater's products are clear complements with dealers and end customers often purchasing both aluminium trailer boats and outboard motors.
52. It is therefore necessary for the ACCC to consider whether the acquisition would enable Yamaha to bundle, tie or otherwise link products in a way that may affect competition in the wholesale supply of outboard motors in Australia and/or the wholesale supply of aluminium trailer boats in Australia.

Wholesale supply of outboard motors in Australia

53. The ACCC considers the wholesale supply of outboard motors in Australia to be a relevant area of competition because:
 - a. at the product level, inboard motors are different in terms of quality and range and cannot be effectively substituted for outboard motors by either an aluminium trailer boat manufacturer or dealer. There is some differentiation between outboard motor suppliers in terms of the quality, range and branding of their motors, however these differences are not sufficiently material to constitute separate areas of competition
 - b. at the geographic level, outboard motors are generally manufactured overseas, imported and supplied across Australia, and
 - c. at the functional level, outboard motors are nearly always sold wholesale to trailer boat manufacturers or dealers and these products are not typically sold direct to end customers.

Wholesale supply of aluminium trailer boats in Australia

54. The ACCC considers the wholesale supply of aluminium trailer boats in Australia to be a relevant area of competition because:
 - a. at the product level:
 - i. market inquiries indicate that other boats such as fibreglass or plastic trailer boats have very different features and price points and that neither dealers nor end customers consider these substitutable for aluminium trailer boats. Additionally, Telwater's rebate programs often permit the dealer to sell non-aluminium trailer boats without affecting their rebates, suggesting Telwater does not regard these products as close competitors

- ii. from the supply side, manufacturers of aluminium trailer boats in Australia do not typically also manufacture non-aluminium trailer boats, and
 - iii. while there is some differentiation in the supply of pressed and plate aluminium trailer boats in features and price points, these differences are not sufficiently material to constitute separate areas of competition
- b. at the geographic level, aluminium trailer boat suppliers typically supply across Australia. Imports of aluminium trailer boats into Australia are limited and primarily consist of higher value plate aluminium trailer boats from New Zealand because of Australian end customer requirements and the freight costs associated with importation, and
 - c. at the functional level, manufacturers of aluminium trailer boats typically supply these boats to dealers, and not direct to end customers.

Issue of concern – Foreclosure of competition in the wholesale supply of outboard motors in Australia

- 55. The ACCC's preliminary view is that the Proposed Acquisition would be likely to have the effect of substantially lessening competition in the wholesale supply of outboard motors in Australia.
- 56. The Proposed Acquisition would result in the largest wholesale supplier of aluminium trailer boats in Australia (Telwater), combining with a leading wholesale supplier of outboard motors in Australia (Yamaha). The ACCC is concerned that the merged entity would have the ability and incentive to link the wholesale supply of Yamaha outboard motors to the supply of Telwater aluminium trailer boats and that this would have the effect of reducing rival outboard motor suppliers' ability to compete and/or increase barriers to entry and expansion.
- 57. In considering this issue, the ACCC has used the ability, incentive and effect framework.

Ability to foreclose competing outboard motor suppliers

Telwater's position in the wholesale supply of aluminium trailer boats

- 58. The ACCC is considering the competitive alternatives to Telwater in the wholesale supply of aluminium trailer boats that are available to Telwater/non-Yamaha dealers.
- 59. The ACCC understands that Telwater's Quintrex, Stacer and Yellowfin brands are highly valued brands that are preferred by many dealers. Market feedback indicates that other pressed aluminium trailer boat brands are not strong constraints on Telwater's Quintrex and Stacer brands. However, there may be some closer alternatives to Telwater's Yellowfin plate boat brand which caters for higher-end customers. Notwithstanding that these closer alternatives may exist, it is not clear that the Yellowfin brand faces strong competition from rivals.

60. The main alternatives in the wholesale supply of aluminium trailer boats are Sea Jay, Horizon/Stessl and Bar Crusher. Sea Jay and Horizon/Stessl both manufacture and supply a range of plate and pressed aluminium trailer boats across Australia. However, Sea Jay predominately supplies its boats in Queensland. Bar Crusher only manufactures and supplies plate aluminium trailer boats and mainly competes with Telwater's Yellowfin plate boats.
61. These three rival suppliers combined account for less than half of Telwater's boat sales. Some dealers also consider that these suppliers would not have the production capacity to produce the volumes of boats those dealers require.
62. Similarly, imported aluminium trailer boat brands, including from New Zealand and China, only account for a very small proportion of overall sales in Australia. Market feedback also indicated that imports from New Zealand are predominantly plate-aluminium trailer boats.
63. As such, there appear to be limited alternative aluminium trailer boat suppliers that Telwater/non-Yamaha dealers could switch to and therefore Telwater's aluminium trailer boats are generally considered to be a very important product for these dealers.
64. Post-acquisition, it is likely that Telwater would retain its leading market position in the wholesale supply of aluminium trailer boats due to moderate to high barriers to entry and expansion in the manufacture and/or supply of aluminium trailer boats in Australia. These barriers include sufficient manufacturing capacity (including gaining suitable staff), brand recognition, customer loyalty and access to already saturated dealer distribution networks. There are no known sources of entry or expansion in the wholesale supply of aluminium trailer boats that would likely achieve sufficient scale in a timely manner to constrain Telwater post-acquisition.

Potential mechanisms to link Yamaha outboard motors to Telwater aluminium trailer boats

65. The ACCC has not formed a concluded view on the mechanisms that the merged entity could use to link the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats, and that would cause Telwater dealers that currently retail competing outboard motors to switch their purchases to Yamaha. However, by way of example, the merged entity could achieve this through:
 - a. contractually requiring dealers that purchase Telwater boats to also become Yamaha outboard motor dealers, including potential conditions that the dealer does not sell competing outboard motor brands or does not sell Telwater boats with competing outboard motors
 - b. offering significant targeted discounts, allowances, rebates or credits to Telwater dealers that currently retail competing outboard motor brands which incentivise the dealer to limit their sales of rival outboard motors, including potential conditions that the dealer does not sell competing outboard motor brands or does not sell Telwater aluminium trailer boats with a competing outboard motor, and/or
 - c. modifying the technical design of Telwater aluminium trailer boats to prevent interoperability with competing outboard motor brands.

Dealer demand for linked offer

66. For any linking strategy adopted by the merged entity to be successful, dealers need to be willing to purchase the two products. The ACCC considers that dealers will likely be willing to purchase the two products because, as set out above in paragraph 37, dealers of aluminium trailer boats will generally also be outboard motor dealers so that they can sell end customers an aluminium trailer boat with an outboard motor attached, reflecting the primary purchasing pattern of customers.
67. As described at paragraph 42, there are three options for dealers to have an outboard motor fitted to an aluminium trailer boat.
68. While there are differing dealer preferences for each of these options, the ACCC considers that the merged entity could adopt mechanisms to link the sale of Yamaha outboard motors to Telwater aluminium trailer boats which cater to the preferences of at least the majority of dealers. For example, if the merged entity implemented contractual requirements on Telwater dealers to also become Yamaha dealers, those dealers would be free to meet those requirements by purchasing a BMT, a factory pre-rigged trailer boat, or purchasing the products separately and attaching the rigging and outboard motor themselves.

Potential for losses of sales and competitiveness by rivals

69. The ACCC is also considering whether the linking of the sale of Telwater aluminium trailer boats and Yamaha outboard motors would result in a loss of sales of either current or future rival outboard motor suppliers.
70. While some outboard motors are supplied to repower-only dealers,⁵ a significant proportion of rival outboard motor sales are to dealers that also stock Telwater aluminium trailer boats, and are therefore at risk of foreclosure. The ACCC is still considering the extent to which all rival outboard motor sales to Telwater dealers could be affected by the foreclosure strategy, or whether it is likely to be limited to just those motors that are attached to new Telwater aluminium trailer boats.⁶
71. The ACCC is also considering the extent to which rival outboard motor suppliers may be able to prevent losses in sales by partnering with competing aluminium trailer boat manufacturers to offer either a sufficiently competitive alternative combined product to that offered by the merged entity or by establishing its own dealer distribution network of new aluminium trailer boats and outboard motors. However, other aluminium trailer boat suppliers appear to have significantly smaller sales volumes than Telwater. The presence of moderate to high barriers to entry and expansion also suggests that rival outboard motor suppliers could face significant challenges in seeking to establish a sufficiently competitive alternative product and dealer network to that offered by the merged entity.

⁵ A repower-only dealer only sells outboard motors to end customers to be attached to existing boats and does not also supply aluminium trailer boats.

⁶ Telwater dealers may also be dealers of other boats such as fibreglass or plastic boats, which also require outboard motors, or offer repower-only services.

Incentive to foreclose outboard motor suppliers

72. The incentive of the merged entity depends on the relative potential gains and losses from the foreclosure of rivals, which would likely vary depending on the foreclosure mechanism enacted by the merged entity, including whether a partial or total foreclosure strategy is taken.
73. Tying the supply of Yamaha outboard motors to Telwater aluminium trailer boats through contractual requirements or technical design (items a and c, respectively, in paragraph 65 above) involves a potential trade-off for the merged entity. The merged entity will gain profit from increased sales of outboard motors to Telwater dealers that switch their purchases to Yamaha from a rival outboard motor supplier. Against this, the merged entity will lose profit from forgone aluminium trailer boat sales to dealers that remain with their existing outboard motor supplier (and stop purchasing Telwater aluminium trailer boats) and incur costs to implement the contractual arrangements or technical design, including any rebate or discount necessary to compel sufficient dealers to take up either tied offering.
74. If the merged firm were to adopt a linking mechanism involving significant targeted discounts or rebates to Telwater dealers that currently stock competing outboard motor brands (item b in paragraph 65 above), the merged entity is likely to face a trade-off between the cost of offering the rebates or discounts and the gain in profit it might earn from the increased sale of outboard motors.
75. While the ACCC is still considering a number of matters relevant to the incentives of the merged entity, including the relative margins earned on the sale of Telwater aluminium trailer boats and Yamaha outboard motors, the ACCC's preliminary view is that it would likely be profitable for the merged entity to link the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats.
76. As discussed above, market feedback received by the ACCC indicates that dealers of Telwater aluminium trailer boats which retail rival outboard motor brands generally consider Telwater boats to be a very important product. End customers' purchasing decisions are primarily driven by the brand of aluminium trailer boat, with the outboard motor brand typically considered an important but secondary consideration for end customers and dealers. Given this, the ACCC's preliminary view is that if the merged entity linked the sale of Yamaha outboard motors to Telwater aluminium trailer boats, it would likely generate greater revenue and margins from increased Yamaha outboard motor sales (i.e. from dealers switching purchases away from rival outboard motor brands to Yamaha) than it would forgo in:
 - a. lost Telwater aluminium trailer boat sales if it pursued a contractual or technical design tying mechanism (i.e. lost sales associated with Telwater dealers that switch aluminium trailer boat brands and continue purchasing from their existing outboard motor brand), and/or
 - b. discounts or rebates paid to dealers (including any costs associated with these strategies) if it pursued a discounts or rebates mechanism.
77. The merged entity may also benefit from additional sources of increased revenue and margin associated with increased sales of Yamaha outboard motors through:

- a. supplying floorplan financing and insurance services in connection with the wholesale supply of Yamaha outboard motors to dealers
- b. supplying retail financing and insurance to end customers through its expanded dealer network
- c. attaining a greater share of repowering sales over time as a higher proportion of new boats are fitted with Yamaha motors. The ACCC understands it is uncommon for end customers to switch outboard motor brands when repowering an aluminium trailer boat, including because of dealer relationships and costs to rig the boat for a different outboard motor brand. This could lead to increased Yamaha repower sales over time, and
- d. increased repower sales from Telwater dealers. Even if the merged entity did not require exclusivity for outboard motor sales as part of its contractual arrangements, it may not be commercially viable for dealers to continue to carry their current outboard motor brand alongside Yamaha. This is due to the potential loss or reduction of discounts, rebates or other financial support (for example, marketing contributions) from Yamaha and/or the rival brand if it were to stock both brands. However, as noted above, currently it is uncommon for end customers to switch outboard motor brands when repowering therefore the gains will depend on the extent to which rival outboard motor suppliers are foreclosed.

Competitive effects of foreclosing outboard motor suppliers

78. For the reasons explained at paragraph 76 above, the ACCC's preliminary view is that if the merged entity linked the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats, it would result in a material loss of sales for rival outboard motor suppliers as their dealers (who also retail Telwater boats) switch their purchases to Yamaha outboard motors.
79. The ACCC is still considering how, and to what extent, a loss of sales would affect the competitiveness of rival outboard motor manufacturers, which are typically based overseas, including through reduced economies of scale or scope. Similarly, the ACCC continues to explore the impact of lost sales on the competitiveness of current or future rival importers. Relevant factors in this consideration are likely to include the importance of access to established sales channels, brand recognition and acceptance, and import costs.
80. However, the ACCC's preliminary view is that the expected loss of sales and reduced distribution channel may materially affect the competitive constraint that rivals are able to exercise on the merged entity in the wholesale supply of outboard motors in Australia.
81. The ACCC also considers that linking the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats is likely to increase barriers to entry and expansion for current and future rivals because:
 - a. such behaviour is likely to prevent, hinder or restrict access to dealer distribution, including by reducing the number and/or quality of available dealers through which to distribute competing outboard motors, and

- b. barriers to entry and expansion for rival outboard motor suppliers may increase as the adoption of such a strategy may mean rivals are effectively required to enter, or sponsor the entry or expansion of suppliers in, the wholesale supply of aluminium trailer boats to compete effectively.

Questions for market participants

The ACCC invites comments from market participants on the competitive effects of the Proposed Acquisition on the wholesale supply of outboard motors. In particular, market participants may wish to comment on:

- the extent to which Telwater aluminium trailer boats are an important product for dealers, and how any potential unavailability of Telwater boats would impact a dealer's ability to compete
- examples of how the merged entity could link the sales of Yamaha outboard motors to Telwater aluminium trailer boats through contractual or non-contractual mechanisms
- whether the merged entity would have an incentive to link the sale of Yamaha outboard motors to Telwater aluminium trailer boats through contractual or non-contractual mechanisms
- the extent to which rival outboard motor suppliers could offer an alternative product that effectively competes with a Yamaha/Telwater linked offering
- the impact of a loss of scale on the ability of rival outboard motor suppliers to constrain the merged entity, and
- how the linking of the wholesale supply of Yamaha outboard motors to Telwater aluminium trailer boats by the merged entity would affect barriers to entry and expansion in the wholesale supply of outboard motors in Australia, including any barriers that rival outboard motor suppliers would encounter in expanding the dealer network available to them, for example, through expanding existing repower dealers.

Issue that may raise concerns – Foreclosure of competition in the wholesale supply of aluminium trailer boats in Australia

82. The ACCC's preliminary view is that the Proposed Acquisition may have the effect of substantially lessening competition in the wholesale supply of aluminium trailer boats in Australia.
83. The ACCC is concerned that the combined entity may have the ability and incentive to link the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors and that this may have the effect of reducing rival aluminium trailer boat suppliers' ability to compete and/or increase barriers to entry and expansion.
84. The ACCC is particularly concerned that a material loss in sales for rival trailer boat manufacturers may significantly impact their economies of scale, and in turn their competitiveness. These boats are predominantly manufactured in Australia (with most supplied to the domestic market and only a small proportion for export), creating a greater risk that these businesses may be foreclosed and permanently exit the manufacture and supply of such boats.

Ability and incentive to foreclose rival aluminium trailer boat suppliers

Yamaha's market position in the wholesale supply of outboard motors

85. Yamaha is a leading supplier of outboard motors. However, market feedback received by the ACCC suggests that Yamaha and Mercury are both equally regarded as leading brands, and share a similar proportion of outboard motor sales in Australia. Some market participants also considered that Suzuki provides some constraint to Yamaha, albeit with a significantly lower share of sales than Yamaha and Mercury. Other suppliers such as Honda and Tohatsu were generally regarded as providing less of a constraint.
86. Post-acquisition, it is likely that Yamaha would retain (and potentially increase) its strong market position in the wholesale supply of outboard motors in Australia due to high barriers to entry and expansion, such as the importance of branding and the necessity of global manufacturing to achieve efficient scale.
87. While the ACCC's preliminary view is that Yamaha likely has a strong market position in the wholesale supply of outboard motors to Yamaha/non-Telwater dealers, Telwater has a relatively stronger market position in the wholesale supply of aluminium trailer boats to Telwater/non-Yamaha dealers.

Potential mechanisms to link Telwater aluminium trailer boats to Yamaha outboard motors and demand for a linked offering

88. The ACCC has not formed a concluded view on the mechanisms that the merged entity could use to link the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors.
89. Given the proportion of Yamaha's sales that are for repowering used boats (i.e. are not purchased by end customers alongside a new aluminium trailer boat), any strategy to link the sale of Telwater aluminium trailer boats to Yamaha outboard motors would likely need to avoid requiring those end customers that wish to only repower an existing boat to buy a new Telwater aluminium trailer boat.
90. For example, we are considering whether the merged entity could:
 - a. contractually require Yamaha dealers to also become Telwater aluminium trailer boat dealers, including potential conditions that the dealer does not sell competing aluminium trailer boat brands or does not sell Yamaha outboard motors with any new rival aluminium trailer boats, and/or
 - b. offer significant targeted discounts, allowances, rebates or credits to Yamaha dealers which currently retail competing aluminium trailer boat brands to incentivise them to limit their sales of rival aluminium trailer boats, including potential conditions that the dealer does not sell competing aluminium trailer boat brands or does not sell Yamaha outboard motors with any new rival aluminium trailer boats.
91. The arrangements referred to at paragraph 90 above would allow Yamaha dealers to supply end customers with only an outboard motor to repower a used boat, but

would require or incentivise them to sell a Telwater/Yamaha package to any end customer purchasing a new aluminium trailer boat.⁷

92. For similar reasons to those described at paragraphs 66–68 above, the ACCC considers that, if the merged entity could effectively link the sale of Telwater aluminium trailer boats to Yamaha outboard motors while mitigating the loss of repower sales, Yamaha dealers which retail rival aluminium trailer boats would be incentivised to switch to purchasing Telwater aluminium trailer boats.

Additional considerations in the assessment of ability and incentive to link Telwater aluminium trailer boats to Yamaha outboard motors

93. The ACCC is still considering a number of factors relevant to assessing the ability and incentive of the merged firm to link the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors, including:
- a. the extent to which Yamaha dealers would, in practice, prefer an alternative provider of aluminium trailer boats in the absence of a linked offering from the merged entity, given the strength of the Telwater offering
 - b. the potential and relative loss of forgone outboard motor sales (i.e. from dealers that switch outboard motor suppliers rather than switch their purchases away from their existing aluminium trailer boat brand) compared to the potential gains from increased sales of Telwater boats, and
 - c. the size of the potential loss of sales incurred by rival aluminium trailer boat suppliers. This includes consideration of whether rival aluminium trailer boat suppliers could partner with a competing outboard motor supplier to provide a combined offering and/or establish its own dealer distribution network of aluminium trailer boats and outboard motors that would effectively constrain the Yamaha/Telwater linked product.

Competitive effects of foreclosing rival aluminium trailer boat suppliers

94. The ACCC has preliminary concerns that if the merged entity links the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors, it may result in a material loss of sales for rival aluminium trailer boat suppliers as their dealers (who also retail Yamaha outboard motors) switch to retailing Telwater aluminium trailer boats. A material loss of sales for rival aluminium trailer boat brands could result in those suppliers being unable to maintain sufficient scale to remain effective competitors.
95. The ACCC is also concerned that any strategy by the merged entity to effectively link the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors may increase barriers to entry and expansion because:

⁷ For this to work dealers would need to be able to effectively determine end customer preferences for a repower-only versus a new boat package, and the merged entity would need to have some ability to monitor and enforce the contractual arrangements.

- a. such behaviour may prevent, hinder or restrict access to dealer distribution, including by reducing the number and/or quality of available dealers through which to distribute competing aluminium trailer boats, and
- b. barriers to entry and expansion for rival aluminium trailer boat suppliers may increase as such a strategy by the merged entity may, in addition to impacting the available dealer network, mean rivals need to simultaneously enter, or sponsor the entry or expansion of suppliers in, the wholesale supply of outboard motors to compete effectively.

Questions for market participants

The ACCC invites comments from market participants on its preliminary views regarding the competitive effects of the Proposed Acquisition on the wholesale supply of aluminium trailer boats. In particular, market participants may wish to comment on:

- the extent to which Yamaha outboard motors are an important product for dealers, and how any potential unavailability of Yamaha outboard motors would impact a dealer's ability to compete
- examples of how the merged entity could link the sales of Telwater aluminium trailer boats to Yamaha outboard motors through contractual or non-contractual mechanisms
- the extent to which rival aluminium trailer boat suppliers could offer an alternative product that effectively competes with a Telwater/Yamaha linked offering
- the impact of a loss of scale on the ability of rival aluminium trailer boat suppliers to constrain the merged entity
- whether the merged entity would have an incentive to link the sale of Telwater aluminium trailer boats to Yamaha outboard motors, and
- how the linking of the wholesale supply of Telwater aluminium trailer boats to Yamaha outboard motors by the merged entity would affect barriers to entry and expansion in the market for the wholesale supply of aluminium trailer boats, including any barriers that rival aluminium trailer boat suppliers would encounter in expanding the dealer network available to them, for example, through expanding the offering of existing repower dealers to include aluminium trailer boats.

Issue unlikely to raise concerns – reduced competition in the wholesale supply of aluminium trailer boats due to the merged entity's access to commercially sensitive information of rivals

96. Some market participants expressed concerns that post-acquisition, Telwater, as part of the merged entity, may have the ability and incentive to access and use commercially sensitive information concerning rival aluminium trailer boat suppliers, such as sales and turnover. This data could provide the merged firm with an unfair competitive advantage, negatively impacting competition in the wholesale supply of aluminium trailer boats.
97. Market participants contended that the merged entity may obtain commercially sensitive information in the course of supplying Yamaha wholesale floorplan

financing, whether from Yamaha dealers that also retail non-Telwater aluminium trailer boats and/or directly from rival aluminium trailer boat suppliers purchasing Yamaha outboard motors for use in a BMT package.

98. Some market participants were concerned that post-acquisition, Telwater's access and use of this information could undermine a rival's ability or incentive to compete aggressively. For example, Telwater's access to such information could potentially give it the ability to pre-empt or quickly undercut a rival's pro-competitive actions, and so may discourage rivals from fully pursuing competitive opportunities.
99. The ACCC's preliminary view is that the Proposed Acquisition is unlikely to lead to a substantial lessening of competition in the wholesale supply of aluminium trailer boats in Australia as a result of the merged entity's access to rivals' commercially sensitive information. This is because access to basic financial information such as rivals' turnover, in the circumstances of this market, is unlikely to enable the merged entity to foreclose rivals. The ACCC notes that it is unclear that the merged entity will obtain access to more valuable information such as rivals' wholesale prices or volumes, business plans and/or market growth strategies.
100. The ACCC welcomes feedback on the extent to which the merged firm is likely to obtain a commercial advantage as a result of its access to its rivals' information and the potential impact of access to, and use of, such information on competition.

Questions for market participants

The ACCC invites comments from market participants on its preliminary views. In particular, market participants may wish to comment on:

- the commercially sensitive information that Telwater, as part of the merged entity, would have access to through Yamaha's floorplan financing arrangements, or other financial services provided by the merged entity
- how such commercially sensitive information would benefit the merged entity
- the likely response from rival aluminium trailer boat suppliers (for instance, could they stop sharing the commercially sensitive information with the merged entity but still work with Yamaha? Could they switch to working with a rival outboard motor supplier other than Yamaha?), and
- the likely impact on rival aluminium trailer boat suppliers/dealers as a consequence of the merged entity's access to such commercially sensitive information.

ACCC's future steps

101. As noted above, the ACCC invites submissions from market participants on each of the issues identified in this Statement of Issues and on any other issue that may be relevant to the ACCC's assessment of this matter. Submissions should be emailed to mergers@accc.gov.au by no later than **23 October 2025**.
102. The ACCC will finalise its view on this matter after it considers submissions invited by this Statement of Issues.
103. The ACCC intends to publicly announce its final view by **4 December 2025**. However the anticipated timeline may change in line with the [Informal Merger](#)

[Review Process Guidelines](#). A Public Competition Assessment explaining the ACCC's final view may be published following the ACCC's public announcement.