

ACCC gives green light for Expedia's Wotif bid

■ Sydney

A \$700 million foreign takeover of Wotif.com could push up the cost of accommodation across Australia, the hotels lobby has argued.

Expedia's bid for Wotif cleared a major hurdle yesterday when the Australian Competition and Consumer Commission ruled it would not oppose the deal.

Wotif shares jumped 20¢ to \$3.29, closing just under the \$3.30 Expedia bid price.

ACCC commissioner Rod Sims said a number of smaller online travel agents had entered the market while websites such as

Tripadvisor and Google Hotels Finder were allowing hotels to directly market themselves to consumers. "The ACCC considered the acquisition was unlikely to diminish the dynamic nature of the industry," he said.

But the Australian Hotels Association said it feared competition for bookings would fall.

The takeover will concentrate Australia's online travel booking market into the hands of just two companies — Expedia and fellow US giant Priceline, which owns Booking.com and Agoda.

AHA WA boss Bradley Woods said the two US operators would

control 85 per cent of the market, which would likely result in hotels being charged more to advertise their rooms. "The end effect is Australian hotel rooms could end up more expensive as a result of this decision," he said.

Wotif welcomed the ACCC ruling. It said the takeover was expected to be completed by the end of the month, pending approval from shareholders and New Zealand authorities. Wotif directors have urged shareholders to accept the bid, which also has the support of co-founders Graeme Wood and Andrew Bice.

AAP

