

MARKETING



HUSKY MAKING MAJOR BRAND MOVE INTO ONTARIO

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Husky Energy Inc. is entering a fiercely competitive market by buying 98 southern Ontario gas stations from **Suncor Energy Inc.**, a petroleum industry consultant says.

"There can be some vicious price wars going on in the Golden Horseshoe," **Roger McKnight** of Oshawa, Ont.-based **En-Pro International** said Friday.

"Husky wants to expand their presence in southern Ontario, which they think is a lucrative market, but I think they're going to be surprised."

Husky announced late Thursday it would buy the stations, which regulators required Suncor to sell as a condition for merging with **Petro-Canada** this summer.

Of the stations Husky is buying, 68 have Suncor's Sunoco banner and 30 have Petro-Canada's. Suncor was required to sell 104 stations in total, and is working on finding a buyer for the few that remain.

Husky—which produces oil and natural gas in Western Canada, off the East Coast and abroad—has most of its retail operations concentrated in the West.

The Suncor purchase will more than quadruple its presence in Ontario, where it will have 128 locations.

"Population density is I think the most obvious reason," said Husky spokesman **Graham White** of the rationale for the deal.

Husky is used to competing head-to-head with other retailers in Western Canadian urban centres.

"We have a lot of strategies that we can fall back on," White said.

Husky expects to replace the Sunoco and Petro-Canada signs with its brand at the stations by spring of next year.

Other than that change, consumers probably won't notice much else, said McKnight.

"It will be merely a change in sign. There will be no change in strategy whatsoever," he said.