The Autorité de la concurrence clears, subject to conditions, the acquisition by Carrefour of the French operations of the Louis Delhaize group (Cora and Match stores)

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Background

On 25 October 2023, the European Commission decided to refer the examination of the acquisition, by the Carrefour group of the French operations of the Louis Delhaize group, i.e. 186 stores and all property assets, to the *Autorité de la concurrence*, due to its "specific expertise" in the sector. Indeed, the *Autorité* has examined numerous transactions – both in the past[1] or currently[2] – in the food retail sector.

Accordingly, the Carrefour group notified the *Autorité* of its planned acquisition on 3 June 2024. At its request, the *Autorité* granted Carrefour a derogation from the suspensive effect of merger control, which enabled the group to complete the transaction without waiting for the *Autorité* to issue its decision and thus to change the banners of the stores. The derogation was without prejudice to the final decision to be taken by the *Autorité*, which has been issued today.

After examing the transaction, the *Autorité* has cleared the Carrefour group to acquire control of the French operations of the Louis Delhaize group, subject to divesting seven stores to competing banners and terminating a franchise agreement in favour of a competiting banner, in order to ensure that consumers have access to sufficient alternatives and can benefit from competition when buying everyday consumer goods. The transaction is also subject to the divestiture of a shopping centre adjoining one to the stores to be divested.

The parties to the transaction

Carrefour operates stores in the food retail sector, under various formats: hypermarkets (under the Carrefour banner), supermarkets (under the Carrefour Market banner), convenience stores (under the Carrefour City, Carrefour Contact, Carrefour Express and Bio c'Bon banners), cash & carry stores (under the Promocash banner) and "soft discount" stores (under the Supeco banner).

The acquisition by the Carrefour group concerns: (i) Provera, the Louis Delhaize group's purchasing alliance for consumer goods in France; (ii) Delparef, which operates – via two subsidiaries – food retail stores under the Cora and Supermarchés Match banners; and (iii) Galimmo, the property company in charge of the investment, development and management of shopping centres adjoinging Cora hypermarkets.

The *Autorité* ruled out any competition concerns in the markets for the supply of everyday consumer goods

The *Autorité* considered that the transaction was not likely to significantly strengthen Carrefour's purchasing power in the upstream markets for the supply of everyday consumer goods, given the low purchasing share represented by the former Louis Delhaize group stores in France.

Risks to competition to the detriment of local consumers identified in seven local areas

In the majority of areas examined where Carrefour already had stores, the *Autorité* ruled out any risk of harm to competition. However, it concluded that the transaction entailed a risk to competition in eight local markets in Soissons (02), Vichy (03), Villers-Semeuse (08), Rots (14), Nancy (54), Publier (74), Les Pavillons-

sous-Bois (93) and the Charleville-Mézières agglomeration (08).

The *Autorité* observed that, in these areas, the Carrefour group would significantly strengthen its market power, without there being any credible or sufficient alternatives to regulate is competitive behaviour. This situation risked leading, in particular, to a reduction in the diversity of the offering, a decline in the service level or an increase in prices in these areas, to the detriment of consumers and the tenants of commercial premises.

Carrefour proposed commitments, consisting of divestitures and the termination of a store franchise agreement in favour of a competitor, as well as the divestiture of a shopping centre, to resolve the competition-related concerns identified by the *Autorité*

These commitments will ensure that a sufficient level of competition is maintained and that the interests of consumers are safeguarded in the markets concerned.

The eight stores concerned by the divestitures or the termination of the franchise agreement in favour of a competitor are the following:

Area	Type of commitment	Address	Post code - Town	Pre-transactio banner
Soissons	Divestitures	Avenue de Compiègne	02200 - Mercin-et-Vaux	Carrefour Market

Area	Type of commitment	Address	Post code - Town	Pre-transactio banner
		Rue des Pensées	02880 - Crouy	Carrefour Market
Vichy	Termination of a Carrefour franchise agreement	Rue des Peupliers	03300 - Cusset	Carrefour
Villers-Semeuse	Divestiture	Route départementale 764	08000 - Villers-Semeuse	Cora
Rots	Divestiture	Départementale 515	14200 - Hérouville-Saint-Clair	Carrefour
Nancy	Divestiture	24 avenue du XXème Corps	54000 - Nancy	Match

Area	Type of commitment	Address	Post code - Town	Pre-transactio banner
Publier	Divestiture	Route départementale 1005	74500 - Publier	Cora
Les Pavillons-sous-Bois	Divestiture	Avenue Georges Pompidou	93320 - Les Pavillons-sous-Bois	Cora

The shopping centre concerned by the divestiture commitment is the following:

Area	Address	Post code - Town	Pre-transaction owner
Charleville-Mézières agglomeration	Route départementale 764	08340 - Villers-Semeuse	Galimmo

The *Autorité* will ensure that these commitments are correctly implemented, so as to maintain effective competition and the continued operation of the stores concerne

The proposed buyers will need to be approved by the ***Autorité***, which will ensure that they are able to provide a credible alternative to the Carrefour group in each of these areas. The ***Autorité*** will ensure that the buyer or buyers have the skills and financial capacities to operate and develop the target stores and shopping centre on a long-term basis. The divestitures must include all the components required to maintain the viability of the business and include the staff employed in the stores concerned before their takeover by the Carrefour group.

Store divestitures do not mean store closures, but takeovers with a change of banner to avoid the risk of price rises and/or a reduced offering to the detriment of consumers

The commitments are intended to safeguard adequate local competition.

The aim is to allow a competitor to take over the stores and their activities in order to safeguard competition in the area concerned, thereby ensuring that consumers have a diversified offering in terms of prices and products. The store divestiture process is closely monitored by the ***Autorité*** in the months following the decision to clear the transaction. The party cleared to carry out the transaction must present to the ***Autorité*** buyers capable of ensuring a valid takeover and then providing

effective competition. Once these buyers have been examined, the *Autorité* can issue an approval, which will clear the effective divestiture of the store in question.

The divestitures do not therefore entail the closure of the stores, but a takeover with a change of banner.

What is a derogation from the suspensive effect?

While the effective conclusion of a merger is subject to clearance by the *Autorité de la concurrence*, in certain exceptional circumstances, duly argued by the parties, the *Autorité* may grant a derogation enabling the parties to finalise part or all of the transaction without waiting for the clearance decision, in order to allow for the continuation of the business activities.

The granting of such a derogation is exceptional. A derogation may be granted in cases where the acquired business is experiencing significant difficulties, such as financial difficulties, which jeopardise its viability, as was the case here.

However, the granting of a derogation by the *Autorité* is without prejudice to the final decision taken at the end of the investigation, as the *Autorité* may impose remedies (e.g. divestitures) or even prohibit the transaction if it is detrimental to competition.

[1] Decision 24-DCC-255 of 28 November 2024 on the acquisition of full control of 200 stores formerly operated under the Casino banner by ITM Entreprises and Decision 24-DCC-288 of 13 December 2024 on the acquisition of full control of 25 stores formerly operated under the Casino banner by Carrefour.

[2] Sale of 98 stores formerly operated under the Casino banner to the Auchan group, currently under examination.

DECISION 25-DCC-56 OF 13 MARCH 2025

on the acquisition of full control of the French food retail and proprietary shopping centre management operations of the Louis Delhaize group by the Carrefour group

See the full text of the decision (in French)

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