

6 April 2012: Food retail

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The Autorité de la concurrence clears, subject to divestiture commitments, the takeover by Intermarché of twenty food superstores under retail brands of the Carrefour group in the south-west of France

> *Version française* 

The Autorité de la concurrence has just cleared the takeover by ITM Entreprises, the company that controls and runs the Groupement des Mousquetaires (hereafter "Intermarché"), of the company Sofides (part of the Spanish group Eroski), which operates 20 daily consumer goods retail outlets under the Carrefour, Carrefour market, Champion and ED retail brands in the south-west of France¹.

The Autorité de la concurrence cleared the transaction subject to the divestiture of 5 retail outlets

The Autorité deemed that the transaction did not harm competition in a number of areas (Agen, Argelès-sur-mer, Bourdettes, Cers, Elne, Hendaye, La Teste de Buch, Llupia, Moissac, Pamiers, Saint-Estève, Saint Laurent de la Salanque, Savignac-les-Ormeaux) inasmuch as several competing retail chains operated there and were in a position to compete effectively with ITM in the said areas.

On the other hand, the Autorité noted that in the customer catchment areas of Céret (66), Mauléon (64), Vic Fezensac (32), Creysse (24) and Fleurance (32), the transaction would have given Intermarché very large market shares and would have reduced the number of retail brands in the area to an unacceptable level. Such a situation poses risks with regard to the prices of daily consumer goods,

all the more so as there are serious obstacles to opening new retail outlets on these daily consumer goods retail markets².

To remedy these risks of harm to competition, Intermarché has undertaken to divest five retail outlets, including two hypermarkets – one in Fleurance (branded Carrefour Market) and one in Bergerac (branded Intermarché) – and three supermarkets – two in Mauléon and Céret (branded Carrefour Market), and one in Vic Fezensac (branded Champion). These divestitures eliminate any overlapping of business on the markets concerned.

These retail outlets should be sold off to one or more operators who are in a position to compete actively on these markets.

(1) The stores are located at Argelès-sur-mer, Cers, Creysse, Elne, Hendaye, Llupia, Moissac, Pamiers, Saint-Estève, Saint Laurent de la Salanque, Savignac-les-Ormeaux, Bourdettes, Céret, Agen, La Teste de Buch, Fleurance, Mauléon and Vic-Fézensac.

(2) See inter alia opinion no. 10-A-26 of 7 December 2010 on the affiliation contracts of independent stores and the procedures for acquiring commercial property in the food retail sector.

> Full text of Decision 12-DCC-48 on the acquisition of sole control of Sofides by ITM Entreprises (in French)

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