6 November 2014: Joint purchasing agreements between major retailers

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The Minister for the Economy and the Economic Affairs Committee of the French Senate have referred to the Autorité de la concurrence for an opinion



Emmanuel Macron, Minister for the Economy, Industry and Digital Affairs referred to the *Autorité de la concurrence* on 29 October 2014 for an opinion on the impact on competition of the agreements recently concluded between the purchasing offices of AUCHAN and SYSTEM U on one hand and between INTERMARCHE (ITM alimentaire international) and CASINO (EMC Distribution) on the other. On the same day, the Economic Affairs Committee of the French Senate also referred to the *Autorité de la concurrence* for an opinion.

The referral by the Minister for the Economy

Joint purchasing agreements generally aim to create a purchasing power likely to lead to a decrease in prices or an increase in the quality of goods or services for consumers.

The *Autorité* has been asked to examine whether this type of partnership could create competition risks, such as information exchanges or systematic alignment of commercial conditions. Furthermore, the *Autorité de la concurrence* will consider the question of whether the proliferation of this type of agreement in a very concentrated sector is likely to increase the identified risks.

The referral by the Economic Affairs Committee of the Senate

The *Autorité de la concurrence*'s opinion has also been sought by the Economic Affairs Committee of the Senate with a view to measuring the impact on competition of the concentration of joint purchasing offices in the mass retail distribution sector and possible consequences for suppliers in terms of access to end consumers.

The Committee has asked the *Autorité* to consider proposals for legislative amendments that would make it possible to redress the balance in trade relations between major retailers and the agribusiness industry, such as the possibility of introducing a specific concentration threshold for agribusiness purchases.

The *Autorité de la concurrence* will issue a joint opinion in response to the two referrals in the first quarter of 2015.

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