The European Commission refers to the Autorité de la concurrence the takeover transaction of 567 Leader Price stores by Aldi

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A few months after Aldi announced the takeover of Leader Price stores, the parties concluded, in March, a promise to purchase for 567 Leader Price stores and 3 warehouses.

Present in nine countries, Aldi, headquartered in Germany, is today one of the main European distribution groups, specializing in hard discount.

Belonging to the Casino group, the Leader Price brand also specializes in hard discount.

European in scope, the transaction was in principle to be examined by the European Commission. However, the parties requested, as permitted by European Regulation No 139/2004, that it be referred to the *Autorité de la concurrence*, considering that the latter was better positioned to examine it.

The Commission refers the case to the Autorité to issue a decision on the transaction

The Commission considered that the conditions to refer the transaction to the *Autorité de la concurrence* were met, the *Autorité de la concurrence* being the best suited to study the transaction with regard notably, to the national impact of the transaction and its experience in examining merger transactions in this sector.

After being notified, the Autorité will examine in particular, the impacts of the transaction both upstream, on suppliers, and downstream, in each catchment area.

Provisional timetable

As a reminder, a merger control decision is generally issued within 25 working days, from the date of complete receipt of a case (phase 1). If, at the end of this period, the *Autorité* considers that there remains a serious doubt of harm to competition, it initiates an in-depth examination (phase 2); the decision is then issued within 65 working days. It is now Aldi's responsibility to formally notify the *Autorité de la concurrence* of its planned acquisition.

30 referrals to the Autorité since 2009

The *Autorité de la concurrence* regularly receives transaction referrals from the Commission. This referral procedure, provided for in European Regulation No 139/2004, allows the Commission, when the merger "*significantly risks affecting competition on a market within a Member State which has all the characteristics of a distinct market* ", to refer the examination of the operation to the national authority which is best suited to assess its effects on competition.

This referral brings to 30 the number of referrals from the European Commission since 2009. The two previous referrals concerned, on the one hand, the creation of Salto, the television service created by France Télévisions, Métropole Télévision and TF1 groups and, on the other hand, the joint takeover of the company Bernard Participations (automotive distribution) by the companies Emile Frey Motors France and Fiber.

This is not the first time that the European Commission has referred merger transactions to the *Autorité* in the distribution sector. Thus, the Commission referred to the *Autorité*, in 2016, the takeover of Colruyt France SAS by the Metro company, in 2015, the de facto merger Auchan / U (the operation was finally abandoned), and, in 2014, the Carrefour / Dia transaction. Each year, the *Autorité*

issues numerous decisions in the distribution sector (almost half of the decisions issued regarding merger control). For example, in the food-dominated distribution sector, it notably issued a decision regarding the takeover of Monoprix by Casino in 2013.

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