Aldi – Leader Price transaction: The Autorité clears the acquisition of 554 Leader Price stores and 2 Casino stores by Aldi, subject to the divestiture of 9 stores

Published on November 17, 2020

In a decision issued today, the *Autorité de la concurrence* cleared the acquisition of Leader Price by Aldi, subject to conditions.

A transaction referred to the *Autorité* by the European Commission

Given the Community scope of this transaction, it should, in theory, have been examined by the European Commission. However, as allowed under European Regulation 139/2004, the parties to the transaction requested that the transaction examination be referred to the *Autorité* considering that the latter was better placed to examine it. Given the impact of the transaction in France, and in light of the *Autorité's* experience in reviewing mergers in this sector, the Commission referred the case to it by decision of 4 June 2020 (see Press Release of 9 June 2020).

On 5 October 2020, Aldi notified the *Autorité de la concurrence* of its plans to acquire assets owned by the Casino Group. These assets include 54 Leader Price stores (of nearly 640 stores under the brand in mainland France) and 2 Casino stores.

Aldi and Leader Price are both hard discount food retail chains. Aldi has 883 stores in France.

The *Autorité* was able to rule out any competition concerns relating to the supply market

Given that the share of the French market owned by Aldi and Leader Price combined is relatively small, the ***Autorité*** considered that the transaction was unlikely to significantly increase Aldi's purchasing power with respect to suppliers. Further, after consulting with Aldi and Leader Price's suppliers (as part of a market test), the ***Autorité*** found that the transaction does not place these suppliers in a situation of economic dependency on the new entity.

Risk of harm to competition identified in 9 catchment areas

As a result of its analysis, the ***Autorité*** raised however, a risk to competition in the catchment areas of the Leader Price stores in Argentière-la-Bessée (05), Bar-sur-Seine (10), Bort-les-Orgues (19), Brassac-les-Mines (63), Lanton (33), Marle (02), Rambervillers (88), Saint-Félix (74) and Sézanne (51).

In these areas, the transaction was likely to have a negative effect on competition, and could lead to price increases or reduce the diversity of products available to the consumer, given the parties' combined market share (more than 40%), or to the establishment of a duopoly in the area.

Aldi has committed to divesting itself of 9 stores to resolve the competition concerns identified

To resolve these competition concerns, Aldi has committed to sell nine Aldi or Leader Price stores in these areas to one or more of its competitors. This will ensure that adequate competition is maintained and to protect consumers' interests in the markets in question.

The potential buyers will have to be approved by the ***Autorité***, which will satisfy itself that they are in a position to provide a credible alternative offer in the food

retail market in each of the areas in question.

The stores below are to be divested:

Area	Store	Address	Postcode	Town
L'Argentière-la-Bessée	Aldi	Id le Pré du Faure	05 120	St-Martin-de-Queyrières
Bar-sur-Seine	Aldi	Faubourg de Chatillon	10 110	Bar-sur-Seine
Bort-les-Orgues	Leader Price	Boulevard Jean Jaurès	19 110	Bort-les-Orgues
Brassac-les-Mines	Aldi	Rue sous la Coste	43 250	Sainte-Florine

Area	Store	Address	Postcode	Town
Lanton	Leader Price	Avenue de la Libération	33 138	Lanton
Marle	Aldi	57 avenue Charles de Gaulle	02 250	Marle
Rambervillers	Leader Price	9 rue Abbés Mathis et Marion	88 700	Rambervillers
Saint-Félix	Leader Price	Rue du Brouillet	74 540	Saint-Félix
Sézanne	Leader Price	Avenue Jean Jaurès	51 120	Sézanne

Divestiture of stores does not imply that the stores will close, but rather will come under a new retail chain

The divestiture of the stores concerned by the commitments allow to maintain a sufficient dynamism of local competitive pressure.

The aim is to enable the stores and their business to be taken over by a competitor chain, in order to maintain competition in the catchment areas in question and thus ensure that consumers continue to have access to a diversified offer in terms of prices and products. The concerned divestiture must ensure that the stores are taken over in good viability conditions in order to be approved by the Autorité.

- ***See full text of decision 20-DCC-164 of 17 November 2020 regarding the acquisition of assets from Franprix Leader Price Holding company by Aldi***

Contact(s)

Bertille Gauthier
Communications Officer
+33155040039
Contact us by e-mail