Distribution in La Réunion: Cattier company fined for setting up an exclusive import agreement on the distribution of its champagne in La Réunion

Published on October 07, 2021

Background

Following a report sent by the French Minister of Economy (DGCCRF), the ***Autorité de la concurrence*** established that the Cattier company had disregarded the Lurel law by granting exclusive import rights for the distribution of its champagne in La Réunion. It fines the company 5,000 euros.

The "Lurel" Law has prohibited all exclusive import agreements since March 2013

As of 22 March 2013, the law of 20 November 2012 on economic regulation in the French overseas territories, known as the "Lurel" Law, has prohibited concerted practices or agreements whose object or effect is the granting of exclusive import rights in the French overseas communities. This provision has been transposed into the French Commercial Code in Article
L. 420-2-1.

The exclusive import agreement set up by Cattier

On 1 August 2013, an exclusive distribution agreement was concluded between Cattier and the importer-distributor Chrysyl (Le Vinarock). This distribution exclusivity covered the Cattier brand of champagnes and applied to the entire territory of La Reunion. This contract was renewed on 8 March 2016 and remained in force until Chrysyl was placed in judicial liquidation on 24 May 2017, more than three years after the Lurel Law came into force.

A practice that harmed competing wholesalers and consumers

The practice put in place hindered the development of competing importer-wholesalers in La Reunion and prevented retailers from increasing competition with wholesalers for their supplies of Cattier brand champagne.

Consumers in La Reunion were thus unable to enjoy the prices they would have been entitled to expect from normal competition.

In light of all these details, the *Autorité* imposed a €5,000 fine on Cattier. The *Autorité* did not investigate Chrysyl, which went into judicial liquidation on 24 May 2017.

Exclusive imports in overseas territories (Lurel law): practices that are the subject of specific attention by the Autorité

This is the 9th decision by the *Autorité de la concurrence* concerning exclusive import practices in French overseas territories. The *Autorité* pays particular attention to respecting competition overseas, which is one of its priorities.

20-D-16 (champagne in the French Antilles and French Guiana)/press release of 29 October 2020)
19-D-20 (perfumery and cosmetics)/press release of 8 October 2019
19-D-11 (chemical pathology)/press release of 29 May 2019
18-D-21 (consumer goods)/press release of 8 October 2018
18-D-03 (termite traps)/press release of 20 February 2018
17-D-14 (desserts)/press release of 27 July 2017
16-D-15 (consumer goods)/press release of 6 July 2016
15-D-14 (consumer goods)/press release of 10 September 2015

As a reminder, in its opinion 19-A-12 of 4 July 2019 regarding the functioning of competition in overseas territories, the Autorité issued an overall diagnosis of the competitive situation in overseas territories and formulated around twenty recommendations aimed at strengthening competition overseas and acting on the structural causes of the high prices of consumer goods.

See the press release of 4 July 2019

DECISION 21-D-23 OF 7 OCTOBER 2021

regarding practices in the champagne and spirits marketing sector in La Reunion (Cattier)

See full text

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