The Autorité de la concurrence clears the acquisition of Bricolex shops owner Le Chamois by Gifi group, subject to conditions

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Background

The *Autorité de la concurrence* authorises, subject to conditions, the Gifi group, which operates in the sector of bazaar and decoration products distribution, to acquire Le Chamois, owner of the Bricolex shops, specialising in the sale of DIY products.

The transaction will result in the transformation of Bricolex outlets into Gifi outlets selling bazaar and decoration products.

Recognising that this transaction was likely to harm competition in certain areas of Paris, the Gifi group committed to divest five Bricolex shops in the areas concerned.

Parties to the transaction

The Gifi group operates in the sector of bazaar and decoration products distribution. It operates 551 shops in France.

Le Chamois operates 21 shops specialising in the sale of DIY products, all located in the Paris region, under the name Bricolex. Eight shops are located in Paris and 13 are located in the Paris suburbs.

Markets concerned

The parties are not currently present on the same markets, as the Bricolex shops distribute DIY items, while the Gifi shops distribute bazaar and decoration items. However, as a result of the transaction, the Gifi group will turn Bricolex outlets into Gifi outlets, in which bazaar and decoration products will be sold.

In its analysis of the transaction, the *Autorité* therefore assumed that all Bricolex outlets would operate in the sector of bazaar and decoration products.

In this respect, the acquirer and the target of the acquisition will operate simultaneously as buyers on the upstream market for the supply of bazaar and decoration products, and as sellers on the downstream market for the distribution of bazaar and decoration products.

The Gifi group committed to divest shops to address competition risks identified in certains areas

Given the moderate markets shares of the new entity, the *Autorité* was able to rule out any competition concerns resulting from the transaction on the upstream markets for the supply of bazaar and decoration products, as well as in 16 catchment areas for the distribution of bazaar and decoration products.

However, the *Autorité* considered that the transaction was likely to harm competition in five Paris areas centred on Bricolex shops (Paris 11, Paris 12, Paris 14, Paris 18 and Paris 19) given the very high market shares of the new entity and the absence of a sufficient alternative offer after the transaction.

To address these concerns, the Gifi group has committed to divest the five Bricolex shops located in these areas, thereby eliminating any overlap between the parties.

The buyer(s) will have to be approved by the *Autorité*, which will ensure that they are independent of the new entity.

FULL TEXT

The full text of the decision will be published soon on the website of the Autorité

See merger control decisions

Contact(s)

Valentin Py
Communication officer
01 55 04 00 54
Contact us by e-mail