



OPINION

of the ADVISORY COMMITTEE ON MERGERS
given at its meeting of 27 January 2016
regarding a draft decision relating to
Case COMP/M.7555 - STAPLES / OFFICE DEPOT

Rapporteur : PORTUGAL

Operation

1. The Advisory Committee agrees with the Commission that the Notified Transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

Union Dimension

2. The Advisory Committee agrees with the Commission that the Notified Transaction has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

Product and Geographic Market

3. The Advisory Committee agrees with the Commission's definitions of the relevant product and geographic markets for (i) B2B distribution of office products via the contract channel, (ii) Wholesale distribution channel and (iii) direct distribution channel as stated in the draft decision.
4. The Advisory Committee agrees with the Commission's conclusions that:
 - 4.1. International contracts for the B2B distribution of office products constitute a separate product market from non-international contracts.
 - 4.2. Non-international contracts for the B2B distribution of traditional office supplies or individual categories thereof via the contract channel on the national market for business customers with more than 100/200 office workers or 250 employees constitute a separate product market from Non-international contracts for the B2B distribution of traditional office supplies or individual categories thereof via the contract channel on the national market for business customers with less than 100/200 office workers or 250 employees.

- 4.3. As the Notified transaction would significantly impede effective competition under any product market definition, it can be left open whether the relevant product market is defined for one-stop-shop contracts or separate markets are distinguished by product categories.
- 4.4. The relevant geographic markets for international B2B contracts should be defined as EEA-wide.
- 4.5. The relevant geographic market for non-international B2B contracts should be defined as national.
- 4.6. The product market in the wholesale distribution channel should be defined as including at least the one-stop-shop supply of the three traditional office supplies categories (paper, ink & toner and stationery).
- 4.7. The geographic market for the wholesale distribution channel should be national.
- 4.8. As it is unlikely that the Notified Transaction will significantly impede effective competition even under the narrowest feasible product market definition in direct sales, the exact product market definition can be left open.
- 4.9. As it is unlikely that the Notified Transaction will significantly impede effective competition even under the narrowest possible product market definition, the exact relevant geographic market for the direct sales channel can be left open.

Competitive Assessment

5. The Advisory Committee agrees with the Commission that the proposed concentration, as originally proposed by the Notifying Parties, is likely to significantly impede effective competition with regard to horizontal overlaps in the contract channel in the markets for:
 - 5.1. International contracts for the supply of traditional office supplies and for the supply of stationery in the EEA.
 - 5.2. National contracts for the supply of traditional office supplies and for the supply of stationery to business customers with more than 100/200 office workers or 250 employees in Sweden and the Netherlands.
6. The Advisory Committee agrees with the Commission that the proposed concentration, as originally proposed by the Notifying Parties, is likely to significantly impede effective competition with regard to horizontal overlaps in the wholesale supply of traditional office supplies in Sweden.
7. The Advisory Committee agrees with the Commission's assessment that the notified transaction will not lead to a significant impediment to effective competition on the relevant markets for:
 - 7.1. B2B distribution of traditional office supplies or individual categories thereof via the contract channel for business customers with more than 100/200 office workers or 250 employees in Austria, Belgium, France, Germany, Ireland, Italy, Spain and United Kingdom;

7.2. B2B distribution of traditional office supplies or individual categories thereof via the contract channel on the national market for business customers with less than 100/200 office workers or 250 employees and

7.3. Distribution of office products via the direct channel.

Remedy

8. The Advisory Committee agrees with the Commission that **the commitments, as amended, are sufficient** to remove the concerns raised by the proposed concentration as to its compatibility with the internal market or a substantial part thereof.

Compatibility with the internal market

9. The Advisory Committee agrees with the Commission that, subject to full compliance with the commitments offered by the parties, **the proposed concentration would not significantly impede effective competition** in the internal market or in a substantial part thereof.
10. The Advisory Committee agrees with the Commission's conclusion that the proposed concentration **should be declared compatible** with the internal market and the EEA Agreement in accordance with Articles 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement.