



EUROPEAN COMMISSION  
DG Competition

***Case M.11238 - CARREFOUR / LOUIS  
DELHAIZE GROUP'S FOOD  
RETAIL FRANCE***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

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Article 4(4)  
Date: 25/10/2023



EUROPEAN COMMISSION

Brussels, 25.10.2023  
C(2023) 7397 final

## **PUBLIC VERSION**

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Carrefour S.A.  
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France

Autorité de la concurrence  
11 rue de l'Échelle  
75001 Paris  
France

**Subject: Case M.11238 – CARREFOUR / LOUIS DELHAIZE GROUP'S FOOD RETAIL FRANCE**

**Commission decision following a reasoned submission pursuant to Article 4(4) of Regulation No 139/2004<sup>1</sup> for referral of the case to France and Article 57 of the Agreement on the European Economic Area<sup>2</sup>.**

**Date of filing: 20.09.2023**

**Legal deadline for response of Member States: 11.10.2023**

**Legal deadline for the Commission decision under Article 4(4): 25.10.2023**

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<sup>(1)</sup> OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

<sup>(2)</sup> OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Dear Sir or Madam,

## **1. INTRODUCTION**

- (1) On 20 September 2023, the Commission received by means of a Reasoned Submission a referral request pursuant to Article 4(4) of the Merger Regulation with respect to the transaction cited above. The parties request the operation to be examined in its entirety by the competent authorities of France.
- (2) According to Article 4(4) of the Merger Regulation, before a formal notification has been made to the Commission, the parties to the transaction may request that their transaction be referred in whole or in part from the Commission to the Member State where the concentration may significantly affect competition and which present all the characteristics of a distinct market.
- (3) A copy of this Reasoned Submission was transmitted to all Member States on 20 September 2023.
- (4) By letter of 10 October 2023, the French Competition Authority (the 'FCA') as the competent authority of France informed the Commission that France agrees with the proposed referral.

## **2. THE PARTIES AND THE PROPOSED TRANSACTION**

- (5) **Carrefour S.A.** ('Carrefour' or the 'Acquirer') is a French subsidiary of the Carrefour Group, a world-leading retailer of food and non-food products operating modern trade stores (mainly hypermarkets and supermarkets, but also other types of retail stores) in Europe and Latin America in more than 40 countries. The Carrefour Group operates 5 945 shops in France under its banners, divided into five formats: hypermarkets, supermarkets, convenience stores, cash & carry shops, and soft discount shops.
- (6) **Delparef S.A.S and Provera France S.A.S** are the legal entities which operate the business of the Louis Delhaize Group in France (together, the 'Targets'). Delparef S.A.S., is active in the food retail business in France under the 'Cora', 'Cora en Ville' and 'Supermarché Match' banners. Provera France S.A.S. is active in the procurement of daily consumer goods in France.
- (7) Carrefour will hereinafter be referred to as the 'Notifying Party' and, together with the Targets, as the 'Parties'.
- (8) On 12 July 2023, Carrefour and Louis Delhaize Group entered into a put option letter, as amended on 24 July 2023, pursuant to which Carrefour has committed to purchase the entire share capital and voting rights of the Targets (the 'Proposed Transaction'). Upon completion of the Proposed Transaction, Carrefour will thus hold 100% of the Targets.

## **3. EU DIMENSION**

- (9) The Proposed Transaction has an EU dimension within the meaning of Article 1(2) of the Merger Regulation. The Parties have a combined aggregate turnover of more than EUR 5 000 million (Carrefour: EUR 81 385 million; and the Targets: EUR [...]). Each of the Parties achieved Union-wide turnover in excess of

EUR 250 million (Carrefour: EUR 60 349 million; and the Targets: EUR [...]). Carrefour does not achieve more than two thirds of its EU-wide turnover within one Member State.

#### 4. ASSESSMENT

- (10) The Proposed Transaction gives rise to horizontally affected markets in the procurement and retail sale of daily consumer goods in France. The Proposed Transaction does not give rise to any other affected markets in France or any other affected markets outside of France.

##### 4.1. Relevant Markets

###### 4.1.1. Procurement of daily consumer goods

###### 4.1.1.1. Product market definition

- (11) In previous decisions, the Commission defined a separate market for the procurement of daily consumer goods, comprising the sale of daily consumer goods to customers such as wholesalers, retailers and other firms.<sup>(3)</sup> The Commission considers that this market may be further segmented in different sales channels but has left the precise scope of the product market open.<sup>(4)</sup>
- (12) According to the prior practice of the Commission and the FCA, the procurement markets for daily consumer goods concerning France could be further segmented into 23 product categories as follows: (1) liquids, (2) drugstore, (3) perfume and hygiene products, (4) dry grocery, (5) para-pharmacy products, (6) self-service perishables, (7) cured meats, (8) sea food, (9) fruits and vegetables, (10) bread and pastries, (11) meat, (12) do-it-yourself, (13) home, (14) culture, (15) toys, leisure and relaxation, (16) gardening, (17) automobile, (18) large household appliances, (19) small household appliances, (20) photography/cinema, (21) hi-fi and audio systems, (22) TV and video, (23) textiles and footwear.<sup>(5)</sup>
- (13) The Notifying Party submits that there are distinct procurement markets for each product categories defined in line with the prior practice of the Commission and of the FCA. It further submits that the procurement markets should not be segmented by distribution channels as suppliers provide goods to a number of distribution channels beyond mass retailers, especially to wholesalers, kiosks, sidewalks and petrol service stations.<sup>(6)</sup>

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<sup>(3)</sup> Commission's decisions M.10631 – *ITM/Mestdagh*, (2022), paragraph 13; M.9495 – *Fortenova Grupa/Poslovni Sistemi Mercator*, (2020), paragraph 77; M.8374 – *Uab Rimi Lietuva/Uab Palink*, (2017), paragraph 16; M.7933 – *Carrefour/Billa Romania and Billa Invest Construct*, (2016) paragraph 16; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay Road*, (2016), paragraph 19; M.7702 – *Koninklijke Ahold/Delhaize Group*, (2016), paragraph 15; M.7224 – *Koninklijke Ahold/Spar CZ*, (2014), paragraph 10; M.5122 – *Rewe/Plus Discount*, (2008), paragraph 16; M.1684 – *Carrefour/Promodes*, (2000), paragraph 14; and M.1221 – *Rewe/Meinl*, (1999), paragraph 75.

<sup>(4)</sup> See e.g. Commission's decision M.11165 – *Carrefour/Romania Hypermarche* (2023), paragraph 14.

<sup>(5)</sup> Commission's decisions M.7592 – *Système U/Auchan* (2015), paragraph 12; M.7336 – *Carrefour/Dia* (2014), paragraph 20; M.1684 – *Carrefour/Promodes* (2000), paragraph 16; see also FCA's decisions n° 22-DCC-254 – *Casino La Bateliè re and H Immobilier/Parfait* (2022), paragraph 46; n° 20-DCC-72 – *Vindémia Group/Groupe Bernard Hayot* (2020), paragraph 25; n° 14-DCC-173 – *Carrefour/Dia* (2014), paragraph 10; n° 13-DCC-90 – *Monoprix/Casino* (2013), paragraph 13.

<sup>(6)</sup> Form RS paragraph 54.

- (14) For the purpose of this case, the Commission considers that the precise scope of the product market can be left open, as the first condition of Article 4(4) of the Merger Regulation is met under one plausible product market definition (i.e. segmentation by product category).

#### 4.1.1.2. Geographic market definition

- (15) In previous decisions, the Commission and the FCA defined the market for the procurement of daily consumer goods as national in scope.<sup>(7)</sup> The main reasons are the fact that consumer preferences relate to national products and that suppliers generally negotiate on a national level.
- (16) The Notifying Party also considers that the geographic market definition could be defined as national in scope, in line with the prior practice of the Commission and of the FCA.<sup>(8)</sup>
- (17) For the purposes of the Commission's assessment under Article 4(4) of the Merger Regulation, the Commission considers that, in line with its precedents, the market for the procurement of daily consumer goods and its plausible sub-segmentations are national in scope.

#### 4.1.2. Retail sale of daily consumer goods

##### 4.1.2.1. Product market definition

- (18) In previous decisions, the Commission considered that the sale of daily consumer goods carried out by retail outlets such as hypermarkets, supermarkets and discount chains ('modern distribution channels') constitutes a distinct market, different from the sale of consumer goods carried out by other types of retailers such as specialised outlets (butchers or bakers, for instance) and service stations.<sup>(9)</sup> The Commission has generally left open the question of whether a further distinction should be made according to the surface of the stores.<sup>(10)</sup>
- (19) Moreover, the Commission generally considered that the other types of retailers such as specialised outlets, kiosks, cash & carry stores and service stations

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<sup>(7)</sup> Commission decisions M.10631 – *ITM/Mestdagh* (2022), paragraph 15; M.8374 – *UAB Rimi Lietuva/UAB Palink* (2017), paragraph 19; M.7933 – *Carrefour/Billa Romania and Billa Invest Construct* (2016) paragraph 19; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay Road* (2016), paragraph 21; M.7224 – *Koninklijke Ahold/Spar CZ* (2014), paragraph 12; M.5112 – *REWE/Plus discount* (2008), paragraph 23; See also FCA's decisions n° 22-DCC-254 – *Casino La Batelière and H Immobilier/Parfait* (2022), paragraph 51; n° 20-DCC-164 – *Franprix Leader Price Holding/Aldi* (2020), paragraph 12; n° 20-D-13 – *Auchan, Casino, Metro and Schiever* (2020), paragraph 70.

<sup>(8)</sup> Form RS, paragraph 55.

<sup>(9)</sup> Commission decisions M.10631 – *ITM/Mestdagh* (2022), paragraph 15; M.8374 – *UAB Rimi Lietuva/UAB Palink* (2017), paragraph 13; M.7933 – *Carrefour/Billa Romania and Billa Invest Construct* (2016), paragraph 14; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay Road* (2016), paragraph 15; M.7224 – *Koninklijke Ahold/Spar CZ*, (2014) paragraph 9; M.5112 – *Rewe/Plus Discount* (2008), paragraph 15; M.5047, *REWE/Adeg*, (2011) paragraph 24; M.4590 – *Rewe/Delvita* (2007), paragraphs 9-14; M.4686 – *Louis Delhaize/Magyar Hipermarket Kft.* (2007), paragraph 8; M.2604 – *ICA Ahold/Dansk Supermarked* (2001), paragraphs 10 and 11; and M.3905 – *TESCO/Carrefour* (2005), paragraph 10.

<sup>(10)</sup> Commission decisions M.10631 – *ITM/Mestdagh*, (2022) paragraph 17; M.9847 – *Aldi/FPLPH Assets*, (2020) paragraph 15; M.7345 – *Carrefour/53 magasins de Billa en Italie*, (2014), paragraph 12.

(‘traditional distribution channels’) do not belong to the relevant market, in view of the fact that they fulfil a specialist or convenience function.<sup>11</sup>

- (20) At national level, the FCA has distinguished six categories of stores on the basis of a number of criteria, including the size of the shops, their sales techniques, their accessibility, the nature of the service provided and the extent of the product ranges on offer, namely: (i) hypermarkets (with a surface area of more than 2,500 sqm), (ii) supermarkets (predominantly food-based shops with a surface area of less than 2,500 sqm and more than 400 sqm), (iii) specialised shops, (iv) convenience stores (less than 400 sqm), (v) maxi-discount shops, and (vi) mail order (including “drive” stores).<sup>(12)</sup> The FCA has also considered a sub-segmentation of convenience stores between small self-service outlets with a narrow range of everyday products (area less than 120 sqm) and mini-markets with a somewhat wider range of products (area between 120 and 400 sqm).<sup>(13)</sup>
- (21) In addition, the FCA considered that, while each category of store retains its specificity, there is asymmetrical competition between some of these categories, which justifies defining different product markets for each type of stores, namely (i) for hypermarkets, a market comprising only hypermarkets, (ii) for hypermarkets and supermarkets, a market comprising supermarkets and equivalent forms of trade (hypermarkets, discount stores and popular stores), except for small retail stores (less than 400 sqm outside Paris, or less than 120 sqm in Paris), (iii) for convenience stores, a market comprising all types of modern distribution channels (incl. those of less than 400 sqm).<sup>(14)</sup>
- (22) The Notifying Party submits that the markets for the retail sales of daily consumer goods should be defined in line with the FCA’s decisional practice.
- (23) For the purpose of this case, the Commission considers that the precise scope of the product market can be left open, as the first condition of Article 4(4) of the Merger Regulation is met under several plausible product market definitions.

#### 4.1.2.2. Geographic market definition

- (24) In previous decisions, the Commission considered that the geographic market for the retail sale of daily consumer goods is local in nature, the exact geographical scope corresponding to a catchment area around each store, based on travel distance to the store. In previous decisions, the Commission has considered a zone of 10, 20, or 30 minutes of travel time by car to the store: in general, hypermarkets, defined as stores with a surface of more than 2500 square meter, have a larger catchment area (20 to 30 minutes) than smaller stores such as supermarkets (catchment areas of 10 to 20 minutes).<sup>(15)</sup>

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<sup>(11)</sup> Commission decision M.8374 – *UAB Rimi Lietuva/UAB Palink* (2017), paragraph 14.

<sup>(12)</sup> FCA’s decisions n° 22-DCC-254 - *Casino La Batelière and H Immobilier/Parfait* (2022), paragraph 54; n° 21-DCC-161 - *Bio c’ Bon/Carrefour* (2021), paragraph 22 ; n° 13-DCC-90 – *Monoprix/Casino* (2013), paragraph 21.

<sup>(13)</sup> FCA’s decision n° 14-DCC-173 – *Carrefour/Dia*, (2014), paragraph 19.

<sup>(14)</sup> FCA’s decisions n° 20-DCC-164 – *Franprix Leader Price Holding/Aldi*, (2020), paragraph 17 et seq. n° 14-DCC-173 – *Carrefour/Dia*, (2014), paragraph 21; n°13-DCC-90 – *Monoprix/Casino* (2013), paragraph 23; n°12-DCC-63 – *Carrefour/Guyenne et Gascogne* (2012), paragraph 13.

<sup>(15)</sup> Commission decision in Case M.10631 – *ITM/Mestdagh*, (2022), paragraph 20; M.8468 – *Norgesgruppen/Axfood/Eurocash*, paragraph 24; M.8374 – *Uab Rimi Lietuva/Uab Palink*, paragraph 15; M.7702 – *Koninklijke Ahold/Delhaize Group*, paragraph 17; M.6506 – *Groupe Auchan/Magyar Hipermarket*, paragraph 13; M.6822 – *Groupe Auchan/Real/Real Hypermarket Romania*, paragraph 11; M.5790 – *Lidl/Plus Romania/Plus Bulgaria*, paragraph 14; M.5176 –

- (25) At national level, the FCA has also considered catchment areas of up to 30 minutes travel time depending on (i) the location of the store (i.e. in the greater Paris area and the 10 largest cities in France, in the inner suburbs of Paris and outside Paris/the 10 largest cities in France) and (ii) their surface. <sup>(16)</sup>
- (26) The Notifying Party submits that the geographic scope of the market for the retail sale of daily consumer goods should be defined in line with the decisional practice of the FCA. <sup>(17)</sup>
- (27) For the purpose of this case, the Commission considers that the precise scope of the product market can be left open, as the first condition of Article 4(4) of the Merger Regulation is met under several plausible geographic market definitions (for example: (i) a radius of up to 20 or 30 minutes' drive time around each hypermarket; (ii) a radius of up to 10 or 20 minutes' drive time around each supermarket, and (iii) a radius of up to 10 or 20 minutes' drive time around each convenience store).

## 4.2. Assessment of the referral request

### 4.2.1. Legal requirements

- (28) According to the Commission Notice on case referral, in order for a referral to be made by the Commission to one or more Member States pursuant to Article 4(4), the following two legal requirements must be fulfilled:
- (a) there must be indications that the concentration may significantly affect competition in a market or markets, <sup>(18)</sup> and
  - (b) the market(s) in question must be within a Member State and present all the characteristics of a distinct market. <sup>(19)</sup>

#### 4.2.1.1. The Transaction may significantly affect competition in a market or markets

- (29) According to paragraph 17 of the Notice, the existence of an affected market is generally considered sufficient to meet the requirement set forth in Article 4(4) of the Merger Regulation.
- (30) In light of the information submitted by the Parties in the Reasoned Submission, the Proposed Transaction results in several horizontally affected markets in France.
- (31) On the market for the procurement of daily consumer goods, the Proposed Transaction would give rise to at least 20 affected markets in France, with combined market shares ranging from [20-30]% to [40-50]%. <sup>(20)</sup>

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*CVC/Schuitema*, paragraph 12 ; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay*, paragraph 17.

<sup>(16)</sup> FCA's decisions n° 22-DCC-254 – *Casino La Batelière and H Immobilier/Parfait* (2022) ; paragraph 62 ; n°16-DCC-174 – *Hadjez* (2016), paragraph 16 ; n° 17-DCC-231 – *Famille Zouari/125 retail store* (2017), paragraph 19; n° 19-DCC-73 – *Lidl/33retail stores* (2019), paragraph 14; n° 19-DCC-73 – *Lidl/33retail stores* (2019), paragraph 14; n° 20-DCC-164 – *Franprix Leader Price Holding/Aldi* (2020), paragraph 35; n° 20-DCC-164 – *Franprix Leader Price Holding/Aldi* (2020), paragraphs 37-38.

<sup>(17)</sup> Form RS, paragraph 68.

<sup>(18)</sup> Further developed in point 17 of the Commission Notice on Case Referrals.

<sup>(19)</sup> Further developed in point 18 of the Commission Notice on Case Referrals.

<sup>(20)</sup> Form RS, paragraph 82.

- (32) On the market for the retail sale of daily consumer goods, the Proposed Transaction would give rise to:
- i. 142 affected markets based on the Commission's precedents. These affected markets concern hypermarkets, supermarkets and convenience stores located outside Paris, <sup>(21)</sup> within a catchment area of 10 to 30 minutes by car. <sup>(22)</sup> The Parties' combined market shares exceed 50% on some of these markets. <sup>(23)</sup>
  - ii. 122 affected markets based on the FCA's precedents. These affected markets concern hypermarkets, supermarkets and convenience stores located outside Paris, within a catchment area of 15 to 30 minutes by car or 10 minutes walking distance, depending on the size of the store. <sup>(24)</sup>. The Parties' combined market shares exceed 50% on some of these markets. <sup>(25)</sup>
- (33) In view of the above, the first legal requirement set forth by Article 4(4) of the Merger Regulation is met.
- 4.2.1.2. The market(s) in question must be within a Member State and present all the characteristics of a distinct market
- (34) According to paragraph 18 of the Notice, the second requirement set forth by Article 4(4) of the Merger Regulation is satisfied if the geographic scope of the markets where competition is affected is national or narrower than national.
- (35) As indicated above, the affected markets for the procurement of daily consumer food and for the retail sale of daily consumer goods are defined as national or narrower than national in scope by the Commission.
- (36) Therefore, the second legal requirement set forth by Article 4(4) of the Merger Regulation is met.
- 4.2.1.3. Additional factors
- (37) In addition to the verification of the legal requirements, paragraph 19 of the Notice provides that it should also be considered whether referral of the case is appropriate, and in particular *'whether the competition authority or authorities to which they are contemplating requesting the referral of the case is the most appropriate authority for dealing with the case'*.
- (38) Paragraph 23 of the Notice states that *'Consideration should also, to the extent possible, be given to whether the NCA(s) to which referral of the case is contemplated may possess specific expertise concerning local markets, or be examining, or about to examine, another transaction in the sector concerned'*.

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<sup>(21)</sup> The Targets operate exclusively outside of Paris.

<sup>(22)</sup> Form RS, paragraph 89.

<sup>(23)</sup> Form RS, paragraphs 89 and 90.

<sup>(24)</sup> Form RS, paragraph 86.

<sup>(25)</sup> Form RS, paragraph 87.



- (39) *First*, the FCA has specific expertise in the assessment of markets in the sector concerned. Indeed, the FCA regularly reviews concentrations in the retail sale of daily consumer goods. <sup>(26)</sup>
- (40) *Second*, the Commission considers that the effects of the Proposed Transaction are confined to France either at a national or sub-national level, in the form of catchment areas. Thus, the case may require investigative efforts at local level that the FCA seems better placed to conduct.
- (41) *Third*, a referral of the Proposed Transaction to the FCA satisfies the need to preserve the benefit of the ‘one-stop-shop’ as there are no affected markets outside of France. The case would thus be referred in its entirety to a single competition authority (i.e. the FCA), which is an important factor of administrative efficiency.
- (42) *Fourth*, the Commission regularly refers cases concerning the retail sales of daily consumer goods to national competition authorities <sup>(27)</sup>, including to the FCA. <sup>(28)</sup>

#### 4.2.2. *Conclusion on referral*

- (43) In the light of the foregoing and on the basis of the information provided by the Parties in the Reasoned Submission, the Commission concludes that the case meets the legal requirements set out in Article 4(4) of the Merger Regulation in that the concentration may significantly affect competition in markets within a Member State which present all the characteristics of distinct markets.
- (44) Moreover, the requested referral would be consistent with paragraphs 19-23 of the Notice on Case Referrals, in particular because the FCA appears to be the most appropriate authority to examine the Proposed Transaction.

### 5. CONCLUSION

- (45) For the above reasons, and given that France has expressed its agreement, the Commission has decided to refer the Proposed Transaction in its entirety to be examined by France. This decision is adopted in application of Article 4(4) of the Merger Regulation and Article 57 of the EEA Agreement.

*For the Commission*

*(Signed)*  
*Olivier GUERSENT*  
*Director-General*

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<sup>(26)</sup> See for instance FCA’s decisions n° 20-DCC-164 – *Aldi/Franprix Leader Price Holding* (2020); n° 17-DCC-11 – *Metro AG/Colruyt France SAS* (2017); n° 14-DCC-173 *Carrefour France / Dia France*, (2014); and n° 13-DCC-90 *Casino Guichard-Perrachon / Monoprix* (2013).

<sup>(27)</sup> See for instance Commission decisions M.10631 – *ITM/Mestdagh*; M.8374 – *Uab Rimi Lietuva/Uab Palink*; M.7702 – *Koninklijke Ahold/Delhaize Group*; and M.6822 – *Groupe Auchan/Real/Real Hypermarket Romania*.

<sup>(28)</sup> See for instance Commission decisions M.7336 – *Carrefour France/Dia France*; and M. 488 – *Carrefour/Guyenne et Gascogne*.