



EUROPEAN COMMISSION

DG Competition

***Case M.11469 - CARREFOUR /
CASINO ASSETS***

Only the English text is available and authentic.

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

Article 4(4)
Date: 06/03/2024



EUROPEAN COMMISSION

Brussels, 6.3.2024
C(2024) 1607 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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.
93 avenue de Paris
91300 Massy
France

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

**Subject: Case M.11469 - CARREFOUR / CASINO ASSETS
Commission decision following a reasoned submission pursuant to Article 4(4) of Regulation No 139/2004 ⁽¹⁾ for referral of the case to France and Article 57 of the Agreement on the European Economic Area. ⁽²⁾**

Date of filing: 06.02.2024

Legal deadline for response of Member States: 27.02.2024

Legal deadline for the Commission decision under Article 4(4): 12.03.2024

Dear Sir or Madam,

1. INTRODUCTION

(1) On 6 February 2024, the Commission received, by means of a Reasoned Submission, a referral request pursuant to Article 4(4) of the Merger Regulation

⁽¹⁾ 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.

⁽²⁾ OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

with respect to the transaction mentioned 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 a 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 6 February 2024.
- (4) By letter of 14 February 2024, the French Competition Authority as the competent authority of France informed the Commission that France agrees with the proposed referral.

2. THE PARTIES

- (5) Carrefour S.A. (**‘Carrefour’** or the **‘Notifying Party’**) 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 type of retail stores) in Europe and Latin America in more than 40 countries. The Carrefour Group operates 6 644 shops in France under its banners, divided into five formats: hypermarkets, supermarkets, convenience stores, cash & carry shops, and soft discount shops.
- (6) The assets sold by Casino (**‘the Casino Assets’**) include 25 shops located in metropolitan France, mainly selling food products. The 25 shops are currently fully owned by the Casino Guichard-Perrachon group (**“Casino”**), a large French retail company.

3. THE OPERATION AND CONCENTRATION

- (7) On 8 February 2024, Carrefour and Casino executed a [...] for the proposed acquisition by Carrefour of the whole of the Casino Assets (the **“Transaction”**).
- (8) The Transaction therefore consists in the acquisition of sole control within the meaning of Article 3(1)(b) of the Merger Regulation by Carrefour over the Casino Assets.

4. EU DIMENSION

- (9) The Transaction has an EU dimension within the meaning of Article 1(2) of the Merger Regulation since the undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million (Carrefour: EUR 81 385 million in 2022; Casino Assets: EUR [...]in 2022). Each of them has a Union-wide turnover in excess of EUR 250 million (Carrefour: EUR [...] in 2022; Casino Assets: EUR [...]in 2022). Carrefour does not achieve more than two thirds of its EU-wide turnover within one Member State.

5. ASSESSMENT

5.1. Reportable Markets

(10) On the basis of the information submitted in the Reasoned Submission, the Transaction results in horizontally affected markets⁽³⁾ in the procurement and retail of daily consumer goods in France.

(11) The Transaction does not give rise to any affected markets outside of France.

5.1.1. Procurement of daily consumer goods

5.1.1.1. Product market definition

(12) 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.⁽⁴⁾ 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.⁽⁵⁾

(13) According to the prior practice of the Commission and the French Competition Authority, the procurement markets for daily consumer goods concerning France should be further segmented into 23 product categories as follows: (1) liquids, (2) drugstore, (3) perfume and hygiene products, (4) dry grocery, (5) parapharmacy 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.⁽⁶⁾

(14) 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 French Competition Authority. It further submits that the procurement markets should not be segmented by distribution channels as suppliers provide to a number of distribution channels beyond mass retailers (modern distribution channel), especially to wholesalers, kiosks, sidewalks, and petrol service stations.⁽⁷⁾

⁽³⁾ See Commission Implementing Regulation (EU) 2023/914 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004 (OJ L 119, 5.5.2023, p. 22). Recital 25 (g) states that “the affected markets are all relevant product and geographic markets, as well as other plausible relevant product and geographic markets where the parties’ activities are subject to a horizontal overlap or vertical relationship, and which do not meet the examination requirements under point 5 of the Notice on Simplified Procedure and do not benefit from the flexibility clauses referred to in point 8 of the Notice on Simplified Procedure”.

⁽⁴⁾ 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.

⁽⁵⁾ See e.g. Commission’s decision M 11165 – *Carrefour/Romania Hypermarche* (2023), paragraph 14.

⁽⁶⁾ 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 French Competition Authority’s decisions n 22-DCC-254 – *Casino La Batelière and H Immobilier/Parfait* (2022), paragraph 46; n 20-DCC-72 – *Vindemia 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.

⁽⁷⁾ Form RS paragraph 77.

- (15) In any event, for the purpose of the Commission’s assessment under Article 4(4) of the Merger Regulation, the precise scope of the product market can be left open to the extent that the Transaction gives rise to affected markets irrespective of the market definition chosen.

5.1.1.2. Geographic market definition

- (16) In previous decisions, the Commission and the French Competition Authority defined the market for the procurement of daily consumer goods as national in scope. ⁽⁸⁾ The main reasons are the fact that consumer preferences relate to national products and that suppliers generally negotiate on a national level.
- (17) 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 French Competition Authority. ⁽⁹⁾
- (18) 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.

5.1.2. Retail sale of daily consumer goods

5.1.2.1. Product market definition

- (19) 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. ⁽¹⁰⁾ The Commission has generally left open the question of whether a further distinction should be made according to the surface of the stores. ⁽¹¹⁾
- (20) In previous decisions, the French Competition Authority 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

⁽⁸⁾ 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 French Competition Authority’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.

⁽⁹⁾ Form RS, paragraph 78.

⁽¹⁰⁾ 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.

⁽¹¹⁾ 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.

shops, and (vi) mail order (including “drive” stores).⁽¹²⁾ The French Competition Authority 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).⁽¹³⁾

- (21) In addition, the French Competition Authority 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).⁽¹⁴⁾
- (22) The Notifying Party submits that the markets for the retail sales of daily consumer goods should be defined in line with the French Competition Authority's decisional practice.
- (23) In any event, for the purposes of the Commission's assessment under Article 4(4) of the Merger Regulation, the precise scope of the product market can be left open to the extent that the Transaction gives rise to affected markets irrespective of the market definition chosen.

5.1.2.2. Geographic market definition

- (24) In previous decisions, the Commission has 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 meters, have a larger catchment area (20 to 30 minutes) than smaller stores such as supermarkets (catchment areas of 10 to 20 minutes).⁽¹⁵⁾
- (25) In its previous decisional practice, the French Competition Authority 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.⁽¹⁶⁾⁽¹⁷⁾

⁽¹²⁾ French Competition Authority'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.

⁽¹³⁾ French Competition Authority's decision n 14-DCC-173 - *Carrefour/Dia*, (2014), paragraph 19.

⁽¹⁴⁾ French Competition Authority'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.

⁽¹⁵⁾ 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 - *CVC/Schuitema*, paragraph 12 ; M.7920 - *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay*, paragraph 17.

⁽¹⁶⁾ French Competition Authority'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-

- (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 French Competition Authority. ⁽¹⁸⁾
- (27) In any event, for the purposes of the Commission’s assessment under Article 4(4) of the Merger Regulation, the precise scope of the geographic market can be left open to the extent that the Transaction gives rise to affected markets irrespective of the market definition chosen.

5.2. Assessment of the Referral Request

5.2.1. Legal Requirements

- (28) Pursuant to Article 4(4) of the Merger Regulation, for a case to be referred by the Commission to one or more Member States, two legal requirements must be fulfilled: ⁽¹⁹⁾
- (a) There must be indications that the Transaction may significantly affect competition in a market or markets;
 - (b) The market(s) in question must be within a Member State and present all the characteristics of a distinct market.

5.2.1.1. 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) The Transaction results in several horizontally affected markets in France.
- (31) On the market for the procurement of daily consumer goods, the Transaction would give rise to at least [...] affected markets in France, for which the combined market share is equal to or greater than 20%. In these affected markets, the combined market shares are ranging from [20-30]% to [40-50]%. ⁽²⁰⁾⁽²¹⁾
- (32) On the market for the retail sale of daily consumer goods, the Transaction would lead to:
- (a) [...] affected markets, for which the combined market share is either equal to or greater than 50% or is between 20 and 50% and the HHI increment associated with the Transaction is equal to or greater than 150, based on the Commission’s precedents. These affected markets concern hypermarkets,

164 – *Franprix Leader Price Holding/Aldi* (2020), paragraph 35; n 20-DCC-164 – *Franprix Leader Price Holding/Aldi* (2020), paragraphs 37-38.

⁽¹⁷⁾ The French Competition Authority states that the catchment areas in Paris for shops smaller than 400m² correspond to catchment areas with a radius of 300 meters around the shops, and for shops larger than 400 m² correspond to catchment areas with a radius of 500 metres around the shops. The French Competition Authority also takes into account for shops located in Paris hypermarkets within a 2 km radius of the shop concerned.

⁽¹⁸⁾ Form RS, paragraph 92.

⁽¹⁹⁾ See also the Commission’s Notice on Case Referral in respect of concentrations (OJ C 56, 5.3.2005, p. 2) (the “Notice”), paragraphs 16ff.

⁽²⁰⁾ The Notifying Party submits that they are unable to estimate the market shares of the Parties’ competitors on the markets for procurement of daily consumer goods required to calculate the increment of the Herfindahl-Hirschman Index.

⁽²¹⁾ Form RS, paragraph 95.

supermarkets and convenience stores located outside Paris, within a catchment area of 10 to 30 minutes by car. ⁽²²⁾

- (b) [...] affected markets, for which the combined market share is either equal to or greater than 50% or is between 20 and 50% and the HHI increment associated with the Transaction is equal to or greater than 150, based on the French Competition Authority'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; as well as convenience stores located in Paris, within a catchment area of 300 meters. ⁽²³⁾

- (33) Therefore, the first legal requirement set forth by Article 4(4) of the Merger Regulation is met.

5.2.1.2. 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 goods and for the retail sale of daily consumer goods are defined as national or narrower than national in scope by the Commission and the French Competition Authority.

- (36) Therefore, the second legal requirement set forth by Article 4(4) of the Merger Regulation is met.

5.2.2. *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 national competition authority to which the Parties are contemplating requesting the referral of the case is the most appropriate authority for dealing with the case. Paragraph 23 of the Notice states that consideration should also, to the extent possible, be given to whether the national competition authority to which the referral of the case is contemplated may possess specific expertise concerning local markets.

- (38) *First*, the French Competition Authority has specific expertise in the assessment of markets in the sector concerned. Indeed, the French Competition Authority regularly reviews concentrations in the procurement and retail sale of daily consumer goods. ⁽²⁴⁾

- (39) *Second*, in light of the information submitted in the Reasoned Submission by the Notifying Party, the Commission considers that the effects of the Transaction are confined to France at national and sub-national level, in the form of catchment

⁽²²⁾ Form RS, paragraph 94(i).

⁽²³⁾ Form RS, paragraph 94(ii).

⁽²⁴⁾ See for instance French Competition Authority's decisions n 22-DCC-254 - *Parfait/Géant Casino La Batelière et Société H immobilier* (2022); 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).

areas. Thus, the Transaction may require investigative efforts at local level that the French Competition Authority seems better placed to conduct.

- (40) *Third*, a referral of the Transaction to the French Competition Authority 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 French Competition Authority), which is an important factor of administrative efficiency.
- (41) *Fourth*, the Commission regularly refers cases concerning the procurement and retail of daily consumer goods to national competition authorities ⁽²⁵⁾, including to the French Competition Authority. ⁽²⁶⁾

5.2.3. *Conclusion on referral*

- (42) On the basis of the information provided by the parties in the Reasoned Submission, 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.

6. CONCLUSION

- (43) For the above reasons, and given that France has expressed its agreement, the Commission has decided to refer the examination of the transaction in its entirety to 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

⁽²⁵⁾ See for instance Commission’s decisions in Case 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*.

⁽²⁶⁾ See for instance Commission’s decisions in cases M.11238 – *Carrefour/Louis Delhaize Group’s Food Retail France* and M.7336 – *Carrefour France/Dia France*.