

PRESS RELEASE

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BCA approves acquisition of 54 of 57 Louis Delhaize Group shops (under the brand Smatch/Match/Louis Delhaize) in first phase after modification of the merger by the parties

On 2 February 2024, the Colruyt Group notified the acquisition of 57 Smatch, Match or Louis Delhaize supermarkets belonging to the Louis Delhaize Group to the Belgian Competition Authority ("BCA").

The transaction was closely examined in light of its potential impact on competition in the market for the sale of daily consumer goods through supermarkets. Daily consumer goods represent a significant part of the Belgian consumers' spending budget. They accounted for at least 15.8% of the average household budget in 2022, according to Statbel.¹

As in previous cases², the BCA analysed the competitive pressure that would remain in each local catchment area after the transaction. These are the areas that correspond to the actual areas from which the shops acquire their regular customers, mapped individually for each shop, based on data from customer loyalty cards. This analysis ensures that anti-competitive effects can be identified by catchment area. The possible development of market power created by the transaction may lead to higher prices, reduced quality, a dilution of product range and/or service in the area concerned.

It follows from the BCA's analysis that no competition problem arises for the majority of the acquired shops. However, in the catchment areas around three specific shops, the Colruyt Group would acquire significantly higher market shares after the transaction. Taking into account further competitive analysis for these catchment areas, the BCA's Investigation Service stated that an additional investigation was needed to verify possible anti-competitive effects of the transaction.

Eventually, the Colruyt Group and the Louis Delhaize Group decided to remove the three shops from the transaction, which allowed the transaction, limited to the remaining 54 shops, to be approved within the statutory deadline (i.e. within a period of 40 working days from notification, extended by 15 working days by the modification of the transaction).

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)

¹ See <https://statbel.fgov.be/nl/themas/huishoudens/huishoudbudget>, the 15.8% includes food, non-alcoholic and alcoholic beverages and tobacco. It does not include maintenance products and personal care products, which can also be bought in supermarkets.

² See, e.g., Decision ABC-2022-C/C-35 of 9 November 2022 in *ITM Alimentaire Belgium/Mestdagh*; Decision BMA-2016-C/C-10 of 15 March 2016 in *Ahold/Delhaize*.