

The Belgian Competition Authority grants, under conditions, its approval for the acquisition of Goed pharmacies by Multipharma

On February 4, 2025, the Belgian Competition Authority ("BCA") approved the acquisition of the company Popelin by Multipharma, under certain conditions.

Multipharma is a Belgian cooperative company operating a network of 279 registered pharmacies in Belgium. In addition to pharmacy activities, Multipharma manages a wholesale distribution center located in Sint-Pieters-Leeuw and two individual medication packaging facilities.

Popelin was recently established and acquired the pharmaceutical activities of Goed Farma, which is part of the Christian Mutuality. The activities include (i) wholesale activities related to pharmaceutical products; (ii) the operation of a network of 92 registered pharmacies in Flanders; and (iii) support activities for the pharmaceutical sector. Popelin's wholesale distribution center is located in Mechelen.

Given the respective and combined turnover of Multipharma and Popelin, the merger was subject to prior approval by the BCA. The merger control procedure was applied, taking into account the specificities of the sector in which this acquisition takes place. The assessment considered the legal framework applicable to wholesale distributors and the extensive regulation for pharmacies open to the public (hereinafter "pharmacies"). Despite the regulatory framework, especially as applicable to pharmacies, the activities at stake are also subject to market forces and competition.

The acquisition was examined in light of its potential effects on the sale at retail level of pharmaceutical products by pharmacies as well as on the full-line wholesale distribution of pharmaceutical products. The analysis focused specifically on the potential impact on (i) prices; (ii) quality; and (iii) accessibility of pharmaceutical products and services.

The investigation concluded that, in 14 local markets around the parties' pharmacies in Mechelen and Willebroek, there were serious doubts about the admissibility of the transaction due to the effects that could result from the increased market power of Multipharma in these service areas as a result of the acquisition. These serious doubts were communicated to Multipharma, which then offered commitments to remedy the likely anti-competitive effects of the acquisition.

The commitments include, for Mechelen, the divestment of four pharmacies with an additional commitment not to apply for new licenses for these service areas. Furthermore, Multipharma may not acquire existing licenses in Mechelen without prior approval from the BCA.

For Willebroek, Multipharma commits to permanently closing its two temporarily closed pharmacies and not applying for new licenses. Additionally, Multipharma may not acquire existing licenses in Willebroek without prior approval from the BCA.

The duration of the commitments was set at five and ten years, depending on the commitment.

After thorough analysis and a market test, the commitments were deemed sufficient by the BCA to remove the competition concerns and thus approve the acquisition.

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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)