

Anticipated merger between J Sainsbury Plc and Asda Group Ltd

Invitation to comment

On 30 April 2018, J Sainsbury PLC (**Sainsbury's**) and ASDA Group Limited (**ASDA** and, together with Sainsbury's, the **Parties**) announced that they have entered into an agreement to combine their operations (the **Proposed Merger**).

The Competition and Markets Authority (**CMA**) is considering whether it is or may be the case that this transaction, if carried into effect, will result in the creation of a relevant merger situation under the merger provisions of the Enterprise Act 2002 and, if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom (**UK**) for goods or services.

This invitation to comment (**ITC**), which the CMA is publishing at the start of its statutory investigatory period, follows an earlier ITC which was published on 18 May 2018 during the pre-notification phase. The CMA will take into account all submissions made in response to that earlier ITC, and it is not necessary to re-submit any comments made at that time.

In this case, the CMA has received a request from the Parties for a fast-track reference to Phase 2, in accordance with paragraphs 6.61 to 6.65 of the Guidance on the CMA's jurisdiction and procedure (the **Guidance**). If the CMA is satisfied that the criteria for the use of the fast-track process are met, the CMA will move more quickly to a Phase 2 investigation. In previous fast-track cases, a Phase 1 decision has typically been adopted within ten to 15 working days of the launch of the merger inquiry, although the duration of a fast-track Phase 1 investigation varies on a case by case basis. A Phase 2 investigation would then last 24 weeks (subject to a possible extension of 8 weeks).

The CMA therefore invites comments from any interested party on (i) the impact that the proposed merger could have on competition in the UK and (ii) any reasons why it would not be appropriate for the CMA to use the fast-track procedure in this case. In line with the CMA's usual practice in fast-tracked cases, the period for this consultation is relatively short (five working days), as interested parties will have further opportunities to present their views on the Proposed Merger during the Phase 2 investigation.

Comments should be provided by the deadline set out below to:

Sainsbury's/Asda merger team

Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD

E-mail: SainsburysAsda@cma.gov.uk

Affected sector: Retail and wholesale

Case number: ME/6752/18

Expected Decision Date: The statutory deadline is 19 October 2018 but a decision will be announced earlier if the fast track request is accepted.

Deadline for comments: 31 August 2018