

THE SAINSBURY'S AND ASDA MERGER INQUIRY ORDER 2019

Notice of and consultation on the proposed Final Order pursuant to section 84 of and Schedule 10 to the Enterprise Act 2002

Introduction

1. On 19 September 2018, the Competition and Markets Authority (CMA), exercising its powers under [section 33](#) of the Enterprise Act 2002 (the Act) referred the anticipated merger between J Sainsbury PLC (Sainsbury's) and Asda Group Ltd (Asda), part of Walmart Inc (Walmart), for further investigation and report by a group of CMA panel members.
2. The CMA published '[Anticipated merger between J Sainsbury PLC and Asda Group Ltd, Final report](#)' (the Report) on 25 April 2019. In the Report, the CMA decided, in accordance with [section 36](#) of the Act, that:
 - (a) a relevant merger situation would be created as a result of the merger;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (SLC) within the following markets:
 - (i) the retail supply of groceries in both Sainsbury's and Asda supermarkets on a national basis, ie in every local market in which one of the Parties is, or both of the Parties are, present;
 - (ii) the retail supply of groceries in supermarkets on a local basis in 537 of the local markets in which both Parties are present;
 - (iii) the retail supply of groceries in Asda convenience stores on a national basis, ie in every local market in which an Asda convenience store is present;
 - (iv) the retail supply of groceries in convenience stores on a local basis in 18 of the local markets in which both Parties are present;
 - (v) the retail supply of groceries ordered online and delivered to the customer's location (online delivered groceries) for Sainsbury's and

Asda on a national basis, ie in every local market served by one or both of the Parties;

- (vi) the retail supply of online delivered groceries for Asda customers on a national basis, ie in every local market served by Asda;
 - (vii) the retail supply of online delivered groceries for Asda customers on a local basis in 143 local markets served by both Parties;
 - (viii) the retail supply of online delivered groceries on a local basis through coordinated effects in 108 delivery areas served by both Parties;
 - (ix) the retail supply of fuel on a local basis in 127 of the local markets in which both Parties operate petrol filling stations;
- (c) the CMA should take action for the purpose of remedying, mitigating or preventing the SLCs or any adverse effect which has resulted from, or may be expected to result from, each SLC; and
- (d) the prohibition of the merger would be the only effective and proportionate remedy to the SLCs and any adverse effects which have resulted from, or may be expected to result from, each SLC.
3. In accordance with paragraph 2(1)(a) of [Schedule 10](#) to the Act, the CMA now gives notice of the proposed Order to remedy, mitigate or prevent the SLCs and any resulting customer detriment, which it identified in the Report. This Notice and the proposed Order will be published on the CMA website.
4. The CMA invites written representations on the proposed Order from any interested person or persons. Representations made in response to this Notice should reach the CMA by **5pm on Monday 24 June 2019**. Representations should be made in writing and should be addressed to:

Project Manager
Sainsbury's/Asda merger inquiry
Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD

or by email to: SainsburysAsda@cma.gov.uk.

5. The CMA will have regard to any representations made in response to this Notice and may make modifications to the proposed Order as a result. If the CMA considers that any representation necessitates any material change to the proposed Order, the CMA will give notice of the proposed modifications.

Stuart McIntosh

Group Chair

23 May 2019