

THE SAINSBURY'S AND ASDA MERGER INQUIRY ORDER 2019

Notice of making the 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. On 23 May 2019, in accordance with paragraph 2(1)(a) of [Schedule 10](#) to the Act, the CMA published a notice of its intention to make an order to remedy, mitigate or prevent the SLCs and any resulting customer detriment, which it identified in the Report and invited written representations from any interested person or persons by 24 June 2019.
 4. The CMA did not receive any representations to its notice of 23 May 2019.
 5. The CMA gives notice of the making of 'The Sainsbury's and Asda Merger Inquiry Order 2019'. The Order is made in accordance with [section 41](#) and in exercise of the powers conferred by [84\(1\)](#), [\(2\)](#) and [\(3\)](#), [section 86\(1\)](#), [\(3\)](#) and [\(4\)](#), [section 87](#) of the Act and paragraphs 2, 12, 19, 21 and 22 of [Schedule 8](#) to the Act, for the purpose of remedying, mitigating or preventing the SLCs specified in the Report and any adverse effects which have resulted from, or may be expected to result from, the SLCs specified in the Report.
 6. The Order comes into force on 9 July 2019.
 7. The Order may be varied or revoked by the CMA under [section 84\(3\)](#) of the Act.

8. This notice and the Order will be published on the case page, alongside an Explanatory Note which provides an explanation of how the Order is expected to operate.

Stuart McIntosh

Group Chair

9 July 2019