

## **Anticipated merger between J Sainsbury PLC and Asda Group Ltd.**

### **Case closure summary**

On 30 April 2018, J Sainsbury plc (Sainsbury's) announced its intention to acquire Asda Group Limited (Asda). A group of independent panel members at the Competition and Markets Authority (CMA) investigated the merger and published its final report on 25 April 2019. In its final report, the group concluded that the merger may be expected to lead to competition concerns, and a substantial lessening of competition (SLC) would be expected to arise in markets in the UK in the following respects:

- i. the retail supply of groceries in both Sainsbury's and Asda supermarkets on a national basis, i.e. 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, i.e. 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, i.e. 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, i.e. 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;

On 9 July 2019, the CMA issued an order prohibiting the anticipated merger and preventing Sainsbury's from acquiring an interest in Asda or any entity holding an interest in Asda for ten years. This brings the merger investigation to a close.

**1 November 2019**