

Republic of Serbia
Commission for Protection of Competition
M No. 5
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Beograd

Issued statement

Commission for Protection of Competition issued a decision on July 12, 2011 approving concentration created by acquiring of a direct control by Belgium company Delhaize Group SA/NV, over company Delta Maxi d.o.o. Beograd and indirect control over the group of its subsidiary companies which, in the procedure were treated as "target group of companies".

In the procedure initiated on the grounds of notification and continued ex officio, Commission assessed that relevant concentration did not lead to significant restriction, distortion or prevention of competition on the market of the Republic of Serbia or part thereof, particularly as a result of creation or strengthening of dominant position.

Above mentioned concentration was assessed as concentration creating merger of companies operating at the same level of production chains, but on different geographical markets. Thus, one of the decisive elements for making of decision on the mentioned administrative case, is a fact that implementation of this concentration shall not lead to cumulation of market share of participants, as, up to now, the party acquiring control was not active on defined relevant market. In assessing permissibility of this concentration and establishing effects of its implementation, Commission particularly evaluated the fact that this concentration does not represent, exclusively and solely, a case of a so called "getting into boots" that is, taking over of existing company and its entire operating capacities.

Relevant concentration is actually all that, if assessed only as a concentration of companies operating on the same production level. However, Commission also considered a fact that target group of companies operated, so far, as a part of vertically integrated Delta Group in Serbia, thus a market position of target group of companies on relevant retail market is to a significant extent conditioned (and also privileged) by this circumstance.

By implementation of this concentration, any potential negative effects deriving from affiliation on different production levels or distribution, are eliminated. Above stated concentration shall not have any negative vertical effects, as the party acquiring control was not present in Serbia up to the present day, that is, is not vertically integrated company in Serbia, nor is the intend for it to occur in the future established.

In terms of the widest microeffects of that concentration, which are not within the consequences of its implementation relating to relevant market and future balance of powers of participants operating on it, Commission assessed as a realistic expectation that Delhaize Group will be a serious "flywheel" to numerous domestic producers acting as suppliers for this group, and not only and exclusively for the purpose of supply of entities within our national region, but also for the need of supply of a great number of retail stores owned by the future controlling party of target group of companies located outside the borders of our country.

Council of the Commission for Protection of Competition