

Press release: CMA clears Co-op / Nisa merger

After closely examining all the evidence, the Competition and Markets Authority (CMA) has found that the proposed merger does not give rise to competition concerns.

The Co-operative Group Ltd (Co-op), as a groceries retailer, and Nisa Retail Ltd (Nisa), as a groceries wholesaler, do not compete head-to-head. However, since Nisa supplies over 4,000 groceries stores, the CMA has carefully considered the potential impact of the merger on competition between shops.

During the course of its 'Phase 1' investigation, the CMA took into account that Nisa-supplied stores would still be free to set their own prices and decide which products to stock after the merger, and so the merged company would not be able to directly determine how they compete.

It also examined whether the merged company could raise prices or reduce service quality for retail or wholesale customers. It found that existing retail and wholesale competition made this unlikely.

This is because there are enough local alternatives to both Co-op and Nisa-supplied stores to ensure that people could still shop around to get the best value for them.

Furthermore, Nisa-supplied stores are able to choose between several different wholesalers and would be able to switch supplier if prices were to increase or the quality of service go down as a result of the merger with Co-op.

This all means that the merged company would be unlikely to be able to raise prices or offer a worse service to either stores or to shoppers.

Sheldon Mills, Senior Director of Mergers at the CMA, said:

Millions of people throughout the UK shop at convenience stores and supermarkets, and it is vital that they continue to have enough choice to get the best value for them.

After careful consideration, we've found that there is sufficient competition in both the wholesale and retail sectors to ensure that shoppers are not worse off.

The merger will therefore not be referred for an in-depth investigation.

Information relating to this investigation can be found on the [case page](#).