

# [Press release: Tesco/Booker merger referred for in-depth investigation](#)

The Competition and Markets Authority (CMA) [opened its phase 1 investigation into the merger](#) in May. At the end of June, the companies [requested a 'fast track' referral](#) to the next stage of the investigation.

The CMA believes that in more than 350 local areas where there is currently an overlap between Tesco shops and Booker-supplied 'symbol' stores, shoppers could face worse terms when buying their groceries.

There are concerns that, after the merger, there is potential for Booker to reduce the wholesale services or terms it offers the 'symbol' stores it currently supplies, in order to drive customers to their local Tesco.

Other concerns were raised and considered in the CMA's phase 1 investigation but the CMA has not found it necessary to conclude on all of these concerns given the 'fast track' referral.

The investigation will now pass to a new set of decision makers – an inquiry group chosen from the CMA's independent panel members.

This group will assess whether the deal could reduce competition by conducting further research and analysis as well as seeking views and evidence from all those potentially affected by the merger.

The statutory timetable for the in-depth phase 2 investigation is 24 weeks, which means the final report will be published before Christmas – following an earlier provisional findings report.

The CMA's referral decision will be published shortly on the [case page](#) along with all other information relating to the investigation.

## **Notes for editors**

1. A 'symbol' store is an independent grocery retailer, operating under the Premier, Londis, Budgens or Family Shopper brands, supplied by the grocery wholesaler Booker.
2. Tesco operates more than 3,000 stores across the UK. Booker supplies services to over 5,000 'symbol' stores.
3. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).

4. Under the Enterprise Act 2002 (the Act) the CMA has a duty to make a reference to phase 2 if the CMA believes that it is or may be the case that a relevant merger situation has been created, or arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
5. For a case to be fast-tracked to phase 2, the CMA must have evidence in its possession that it believes objectively justifies a belief that the test for reference is met and the notifying parties must have requested and given consent for use of the procedure. In addition to considering whether the case meets those criteria, the CMA will in deciding whether to utilise the fast track process have regard to its administrative resources and the efficient conduct of the case.
6. Under the Act a relevant merger situation is created if 2 or more enterprises have ceased to be distinct enterprises; and the value of the turnover in the United Kingdom of the enterprise being taken over exceeds £70 million ('the turnover test') or as a result of the transaction, in relation to the supply of goods or services of any description, a 25% share of supply in the United Kingdom (or a substantial part thereof) is created or enhanced ('the share of supply test').
7. All the CMA's functions in phase 2 merger inquiries are performed by inquiry groups chosen from the CMA's independent panel members. The appointed inquiry group is the decision-maker on phase 2 inquiries. The CMA's panel members come from a variety of backgrounds, including economics, law, accountancy and/or business. The membership of an inquiry group usually reflects a mix of expertise and experience (including industry experience).
8. Media enquiries to the CMA should be directed to [press@cma.gsi.gov.uk](mailto:press@cma.gsi.gov.uk) or 020 3738 6798.