



GAZDASÁGI
VERSENYHIVATAL

Further acquisition in the Coop group

The Hungarian Competition Authority (GVH) granted authorisation to Nyírzem Zrt. for the acquisition of 60% of the shares of Mezőkövesd Zrt.

On 14 April 2009 Nyírzem Nyírség-Zemplén Coop Kereskedelmi Zrt. (Nyírzem Zrt.) signed sale and purchase contracts for acquiring the shares of Mezőkövesd COOP INVEST Vagyonkezelő Zrt. (Mezőkövesd Zrt.) and hereby acquired more than 60% of the voting rights in Mezőkövesd Zrt.

Nyírzem Zrt. and the undertakings controlled by it (Nyírzem-group) are mainly interested in the retail of food and other food-related products mostly in Szabolcs-Szatmár-Bereg, Borsod-Abaúj-Zemplén, Baranya and Tolna counties. The market share of the Nyírzem-group from the Hungarian food retail does not reach 0,5%.

Mezőkövesd Zrt. has 71-100% of the voting rights of further two Zrt. (Private Limited Company in Hungary) and three Kft. (the Private Limited-Liability Company in Hungary) which jointly constitute the Mezőkövesd-group. The main profile of Mezőkövesdi KER COOP Zrt, a subsidiary of Mezőkövesd Zrt., is food retail and wholesale mostly in Borsod-Abaúj-Zemplén, less in Heves, Szabolcs-Szatmár-Bereg counties. The Mezőkövesd-group possesses less than 0,5% from the Hungarian food retail and wholesale turnover.

According to the Competition Act, the GVH may not refuse to grant authorisation for a concentration where the concentration does not create or strengthen a dominant position, which would impede the formation, development or continuation of effective competition on the relevant market.

According to the GVH even after the concentration the two undertaking-groups will only have an insignificant market share from food wholesale and thus no competition concerns arise.

As for food retail, the GVH investigated on the one hand the activity of the Nyírzem-group (especially Mecsek Fűszért Zrt. and Nyírzem Zrt within the group), on the other hand the one of Mezőkövesdi KER COOP Zrt. Mecsek Fűszért Zrt. and Mezőkövesdi KER COOP Zrt. are active in food trading in such areas that belong to different geographic markets. The fields of interest of Nyírzem Zrt. and Mezőkövesdi KER COOP Zrt. overlap the most in Borsod-Abaúj-Zemplén county (they are present in 29 and in 28 settlements respectively), but there is no town in this county which would host shops of both of them at the same time. The concentration is created between two undertakings that are active in distinct markets, thus the transaction has no impact on the food retail market.

In theory the concentration might have competition concerns since Mecsek Fűszért Zrt. is also interested in food wholesale. However, since Mecsek Fűszért Zrt. and Mezőkövesdi KER COOP Zrt. are active in geographic areas far from each other and Mecsek Fűszért Zrt. only has a minimum of market share from the Hungarian food wholesale, the concentration is not considered to have any detrimental effects on competition.

Considering all the above mentioned, the GVH cleared the concentration.