

# The Autorité de la concurrence unconditionally clears the acquisition of Make Distribution by the IBL Group

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## Background

On 25 April 2023, the IBL Group notified the *Autorité de la concurrence* of its intention to take exclusive control of Make Distribution.

After careful examination, the *Autorité* was able to rule out any risk of harm to competition on both the markets for the supply of bottled water and carbonated soft drinks (CSDs) and the markets for the wholesale distribution of other alcoholic and non-alcoholic beverages.

## Parties to the transaction

IBL is a diversified Mauritian group present in 19 countries. On Reunion Island, IBL is present in the hotel, building and construction, printing and bottled water as well as drinks production and distribution sectors.

Make Distribution<sup>[1]</sup> operates four hypermarkets in Sainte-Marie, Saint-Denis, Saint-André and Saint-Paul under the "Run Market Partenaire Intermarché" brand on Reunion Island.

## **The relevant markets and the competitive analysis**

IBL is present on the upstream supply markets, via Edena, as a producer and supplier, *via* Edena, for bottled spring waters and CSDs, and as a wholesale-importer, *via* Phoenix Réunion, for other alcoholic and non-alcoholic drinks. Make Distribution is active as a supplier on the downstream food retail markets and also as a buyer on the upstream food procurement markets, including drinks.

Therefore, the *Autorité de la concurrence* examined the possible vertical effects of strengthening IBL's position in the downstream distribution market.

- **On the analysis of the vertical effects between the bottled water and CSD supply markets and the downstream food retail market**

While IBL has a high market share for the supply of branded spring water to supermarkets and hypermarkets, supplies to Make Distribution shops represent less than 3% of IBL's sales. As a result, IBL must continue supplying shops competing with those of Make Distribution or risk seeing its own profitability decline. Furthermore, if Make Distribution shops decided to stop buying from IBL's competitors, there would be no risk of the latter being driven out of the market by their essential nature and/or high market share.

- **On the analysis between the wholesale-importer markets for drinks and the downstream market for food retail distribution**

IBL has a market share of just 4.5% in the wholesale drinks distribution market for supermarkets & hypermarkets. IBL is therefore not in a position to lock in this market. In addition, the share of the four Make Distribution shops in the purchasing market for the FDM drinks family on Reunion Island represents 13% of the total FDM drinks supply market for supermarkets & hypermarkets on Reunion Island. In view of Make Distribution's limited market shares, if it were to stop sourcing from IBL's competitors, this would have no appreciable effect on the wholesale drinks distribution markets.

[1] Make Distribution was initially set up to acquire the four hypermarkets divested by Groupe Bernard Hayot under the commitments it made in Decision 20- DCC- 72 of 26 May 2020 clearing the acquisition of sole control of Vindémia Group by Groupe Bernard Hayot.

**THE FULL TEXT OF THE DECISION WILL BE  
AVAILABLE ON THE AUTORITÉ DE LA  
CONCURRENCE WEBSITE AT A LATER DATE.**

## Contact(s)

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