

Tesco Booker deal gets provisional green light from CMA

By Ben Stevens - November 14, 2017



The landmark merger between Tesco and the UK's largest wholesaler has been given the provisional go ahead from the Competition Markets Authority (CMA).

Back in May the CMA officially launched its probe into the proposed deal, amid criticism from across the grocery sector.

Last month seven of the UK's largest wholesalers who all voiced concerns that the deal would "threaten the survival of the independent retailer".

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However, this morning the CMA has offered its provisional findings stating the deal may even be good for competition, ahead of its final report due by the end of the year. Tesco now expects the merger to go ahead in early 2018.

WHOLESALERS TELL CMA

“In particular, Tesco does not supply the catering sector to which Booker makes over 30% of its sales,” the CMA said.

Chair of the CMA’s inquiry group Simon Polito added: “Millions of people use their local supermarket or convenience store to buy their groceries or essentials.

“Strong competition in the market ensures that shoppers can choose the best deal for them.

“Our investigation has found that existing competition is sufficiently strong in both the wholesale and retail grocery sectors to ensure that the merger between Tesco and Booker will not lead to higher prices or a reduced service for supermarket and convenience shoppers.”

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