

UK regulator clears Tesco's £3.7bn Booker takeover

LONDON, UK - Britain's competition regulator has given the green light to supermarket giant Tesco's 3.7-billion takeover of wholesaler Booker, it said Tuesday.



Robert Edwards via [Wikimedia](#)

The takeover, worth \$4.8 billion or €4.2 billion, has been provisionally cleared by the Competition and Markets Authority (CMA), it announced in a statement.

Tesco unveiled the blockbuster deal in January in a bid to become the nation's top food business, slash costs and take on German-owned discount retailers. The regulator ruled Tuesday that the pair do not compete head-to-head in most of their activities. "The CMA has provisionally concluded that Tesco's purchase of Booker does not raise competition concerns," it said.

Booker is the country's largest cash-and-carry operator and sells goods to more than 503,000 customers - including grocers, pubs and restaurants. It also owns convenience store chains Budgens, Londis and Premier, as well as trade-facing Makro and Booker Wholesale.

"The CMA found that Tesco as a retailer and Booker as a wholesaler, supplying to caterers, independent and symbol group retailers including Premier, Londis and Budgens, do not compete head-to-head in most of their activities," the regulator

added Tuesday. "In particular, Tesco does not supply the catering sector to which Booker makes over 30% of its sales."

In a brief statement, Tesco welcomed the CMA news, adding that it expected the Booker takeover to complete in early 2018. "We look forward to creating the UK's leading food business, bringing together our combined expertise in retail and wholesale," Tesco said.

"This merger has always been about growth, and will bring benefits for independent retailers, caterers, small businesses, suppliers, consumers, and colleagues."

Tesco is Britain's biggest retailer but has been troubled in recent years by an accounting scandal and fierce domestic competition from German discount chains Aldi and Lidl. In October however, the supermarket group revealed it had rebounded into first half net profits - and announced it would resume dividend payments to shareholders.

Tesco is the world's third-biggest supermarket chain after France's Carrefour and global leader Wal-Mart of the United States.

Source: AFP

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