



GAZDASÁGI  
VERSENYHIVATAL

## **Acquisition within the CBA franchise chain**

**The Hungarian Competition Authority (GVH) gives authorisation to Palóc purchasing 100 % of the shares of Vevőért.**

End of July 2008 Palóc Nagykereskedelmi (Wholesale Trading) Kft. signed a purchase contract to acquire 100 % of the shares of Vevőért Kereskedelmi (Trading) Kft.

Palóc was founded by natural persons in 1991 in Salgótarján as the seat of the undertaking. The main profile of the undertaking is retail and wholesale of foodstuff and other grocery goods. The estimated share of the undertaking from the turnover realised on the Hungarian market does not reach 1%. The same share within the CBA franchise chain does not reach 4%. The trading activity of Palóc basically takes place in Nógrád, Heves, Borsod, Pest and Jász-Nagykun-Szolnok counties. Besides its retail clientele, reseller and catering undertakings are also customers of Palóc. As far as its wholesale trading activity is concerned, the number of its customers attains 500. The undertaking operates many retail shops, half of them are located in Nógrád County, the other half can be found in the bigger settlements of Heves, Pest, Borsod and Jász-Nagykun-Szolnok counties. Palóc is the regional centre of the CBA supermarket chain; it is responsible for organising the franchise network, coordinating its operation, managing its marketing activities and organising the supplies of its members.

Vevőért was also founded by natural persons in 1992 in Cegléd as the seat of the undertaking. The main profile of the undertaking is retail of foodstuff and other grocery goods; however, besides retailing activities, Vevőért is also engaged in commercial activities with excise goods and in other wholesale trading activities. It has a 0,2 % market share of the Hungarian turnover concerning these activities. This share means a 1,2 % share within the CBA franchise network. The undertaking to which the application relates possesses 26 premises and is engaged in trading activities in Pest County, in the surroundings of Cegléd. The undertaking has been a member of the CBA supermarket chain since 1997, and a regional centre of CBA Kereskedelmi (Trading) Kft. since 2001.

The GVH established that the transaction would take place between undertakings that were active on distinct geographical markets. The transaction involves an ownership change on the retail market of Pest County, which will not result in a change in market concentration. Palóc was not present on this market before the concentration. The same conclusion can be drawn as far as the market concentration in settlements in Nógrád, Heves, Pest, Borsod and Jász-Nagykun-Szolnok Counties and their surroundings in question is concerned. Vevőért was not present on these markets; therefore the concentration does not affect the market shares of Palóc. Since the proposed concentration in itself does not raise competition concerns, the GVH authorised the transaction.

Case number: **Vj-111/2008.**

Budapest, 12 November 2008

Hungarian Competition Authority  
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