The Danish Competition Council clears merger between Imerco and Inspiration subject to commitments

According to the Council, a merger without any commitments would involve a risk of higher prices and restricted competition. A number of commitments were therefore made, ensuring i.a. a new competitor in the market, after which the merger was approved.

The Competition Council’s decision of 16 August 2017 - Imerco Holding A/S obtains control of Inspiration A/S
By Søren Overgaard Eriksen, Assistant Attorney

In the Council’s opinion, the merger would - if implemented without commitments - reduce competition on the retail market for mid- to high-end home furnishings. Following negotiations, the parties therefore agreed on a number of commitments.

Thus, Imerco has accepted to acquire only approx. half of the Inspiration stores, while the remaining stores are to be divested to the former owner 3C, which has also undertaken to open a number of new stores. 3C will be required to run all the stores through a new separate chain. 3C also had to accept certain commitments to ensure the survival of the new chain in the market, including in relation to its operations.

The case is an example of a merger where commitments to ensure new competition in the market by the introduction of a new player could accommodate the competition concerns that would have resulted from a merger between two major market players. In this case, the new player was 3C which re-entered the market as buyer of some of the stores that would otherwise have been acquired by Imerco.

Read the Council decision

This article was published in a newsletter of 29 August 2017, where the following articles were also included:
- AG Wahl: Requirement for use of "electronic shop window" in a selective distribution system was not anti-competitive
- Danish plumbing & heating firm accepts million kroner fine for cartel activities in five building projects
- Amazon drops MFN clauses on the global e-book market