

Pub merger to be cleared if local concerns overcome

Stonegate Pub Company's proposed purchase of Ei Group does not raise UK-wide competition concerns but could damage competition in 51 local areas.

The Competition and Markets Authority (CMA) has been investigating the anticipated £3 billion deal between the two pub groups. Together, the 2 groups operate close to 5,000 pubs across the UK, including popular chains, such as the Slug and Lettuce and Yates, as well as a large number of unbranded pubs.

After completing its initial Phase 1 investigation, the CMA has found that the purchase does not raise competition concerns on a UK-wide basis. While the merged business will be the largest pub group in the UK, it will continue to face competition at the national level from several other large pub groups.

The CMA has also investigated the potential impact of the merger in more than 500 local areas across the UK, in which both businesses currently have premises. While sufficient competition will remain after the merger in most cases, the CMA found that the deal could reduce choice for pub goers in 51 local areas where the combined business would face only limited competition.

The CMA is therefore concerned that, if the businesses were to merge, pub goers in those areas could be faced with price increases or lower quality products and services.

The companies now have until 13 December 2019 to suggest ways of overcoming these concerns.

If proposals are not offered, or do not sufficiently address the issues raised, then the merger will be referred for an in-depth Phase 2 investigation.

For more information, [visit the Stonegate Pub Group/ Ei Group plc merger inquiry page](#).

For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk