

The FAS Russia reviewed the application of the Barry Callebaut NL Russia, which is part of the Barry Callebaut Group (Switzerland), to obtain prior consent to acquire 100% of the voting shares of Inforum-Prom Ltd, and approved¹ the deal by issuing the “Barry Callebaut NL Russia” the Ruling² on the implementation of certain actions aimed at ensuring competition.

Barry Callebaut Group is the world’s leading manufacturer of high-quality chocolate and the supplier of cocoa products to the Russian market. In its turn, Inforum Prom Ltd is a leading producer of industrial chocolate, couvertures, compound coatings and fillings in Russia.

During the consideration of the transaction, the FAS Russia found that, in the result of the deal, horizontal integration would take place on the Russian chocolate market, and the total share of Barry Callebaut NL Russia LLC and Inforum-Prom Ltd would significantly exceed the shares of other participants of this commodity market, which can lead to restriction of competition in the chocolate market of the Russian Federation.

According to a survey of chocolate consumers, that is enterprises of the confectionery industry, the FAS Russia found that there are large manufacturers in the confectionery market that have a complete production cycle from raw materials to end products, and, therefore, that are completely or significantly independent of the chocolate mass supply, as well as small and medium-sized enterprises that do not have their own raw materials base and procure chocolate semi-products from Barry Callebaut NL Russia LLC and Inforum-Prom Ltd.

In this regard, small and medium-sized businesses were concerned about the transaction regarding the monopolization of the supply of chocolate semi-finished products (chocolate mass) as a result of the transaction and a possible restriction of the availability of these products.

That being said, the decision to approve the deal was accompanied by rulings to the Barry Callebaut NL Russia LLC with behavioral conditions that ensure the availability of chocolate semi-finished products (chocolate mass) for small and medium enterprises of the confectionery industry (avoidance of capacity decrease of chocolate production, ensuring the possibility of a minimum order quantity of 1000 kilograms).

¹ The FAS Russia Decision No. TA/4063/19 of October 23, 2019: <https://br.fas.gov.ru/ca/upravlenie-kontrolya-agropromyshlennogo-kompleksa/tsa-4063-19/> (Russian version only)

² The FAS Russia Ruling No. TA/4065/19 of October 23, 2019: <https://br.fas.gov.ru/ca/upravlenie-kontrolya-agropromyshlennogo-kompleksa/tsa-4065-19/> (Russian version only)