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Indonesia rules on Carrefour monopoly



Carrefour Indonesia has been hit with an anti-monopoly ruling and ordered to sell subsidiary Alfa Retailindo

Indonesia's Business Competition Supervisory Commission (KPPU) announced on Tuesday the French retailer must sell its local subsidiary PT Alfa Retailindo and pay fines of Rp25bn (US\$2.61m), reported the Jakarta Post.

Carrefour Indonesia acquired a controlling stake in Alfa Retailindo in January 2008, sparking concerns about the company's growing market dominance.

Carrefour's consumer market share hit 55.9 per cent after the purchase, up from 38 per cent previously, and the company controlled 57.99 per cent of supplier market share, which contravened Indonesian anti-monopoly legislation.

It was alleged the company used this dominance to put pressure on suppliers and other retailers.

Carrefour will have 14 days from the ruling to submit an appeal to the

Central Jakarta District Court, the Post reported, which the retailer is likely to do.

"We will soon hold an internal discussion in regard to the verdict, but I think we will surely file an appeal," Carrefour Indonesia's corporate communications director Irawan Kadarman told the Post.