



**15th Session of the Intergovernmental Group of Experts on Competition
Law and Policy**

19 -21 October 2016, Geneva, Switzerland

***Round Table on "Enforcement of competition policy in the retail sector:
competition issues in the food retail sector"***

***Thursday 20 October 2016 (11:30 - 13:00)
Palais des Nations, Room XVII (First Floor)***

Nowadays, distribution can be explained in other words as "economic function of ensuring the flow of products from production to consumption". It is one of the achievements of the economic concept of "market" meeting place of demand and supply. In this perspective, distribution aims to ensure equal conditions of access to markets for enterprises while the main scope is to protect internal consumers and general economic equilibrium. Distribution, which makes the link between economic activities upstream and downstream, is constructive in allowing producers access to the downstream market through distributors who are in direct contact with consumers.

Throughout all areas of distribution, food retailing stands out as having experienced the most significant changes in market structure in the last 20-30 years. Supermarkets have developed as the grocery retail channel of choice for consumers, as grocery demand has expanded towards a unique one-stop shop model. Moreover, supermarkets' own brand have become powerful competitors of their suppliers and often benefit from the dual role of retailers as distributors and competitors of independent brands (e.g., misuse of commercial secrets) .

The impact of the growth of the supermarket sector on consumer welfare depends on the balance of these forces. A fair degree of competition will allow consumers to benefit from the efficiency gains derived from the expansion of the so-called "modern retailing" (which includes a variety of store formats such as supermarkets, hypermarkets, discount stores and convenience stores). However, the strong bargaining power and market power of supermarkets may lead to abuses against their suppliers and foreclosure of independent brands.

Some countries are adopting measures to reconcile the growth of modern retailing with fair dealing in the food supply chain. Some jurisdictions have extended the application of the consumer protection legislation to business-to-business situations, others have extended the concept of dominance to economic dependence/superior bargaining power in the food retailing and, finally, others adopt sector-specific

regulations or promote self-regulatory initiatives (Codes of Good Practice) among market participants.

To facilitate this round table discussion, the UNCTAD secretariat raises the following issues for discussion:

- a) Are the different remedies adopted by countries to alleviate the problem of buyer power, unfair and anti-competitive practices adequate?
- b) Do economic and legal barriers restrict entry and expansion in the grocery retail markets? Which kind of measures could be adopted to avoid these barriers?
- c) Should fair dealings between producers, suppliers and retailers be a public policy priority?
- d) How can the market power of supermarkets and the progressive expansion of their own brands affect the choice and innovation in the food sector?
- e) Do consumers and citizens benefit from fair dealings in the food supply chain?

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WORK PROGRAMME

11:30 to 12:30

Moderator

Ms. Julia Nenkova

Keynote Speaker

Javier Berasategi. Expert Lawyer, Spain

Panel discussion

Panellists

- Ms. An Renckens, DG Competition, European Commission
- Mr. Oscar García Cardoze, President of the Competition Authority of Panamá (ACODECO)
- Professor Michael Halton Cheadle, South Africa
- Ms. Kurnia Syahrani, Vice Chairman, Commission for Supervision of Business Competition, Indonesia

12:30 to 13:00

Interactive debate

The panel discussion will be followed by interactive debate, including interventions by:

- Chili
- Turkey
- Portugal

Delegates wishing to speak during the session are invited to inform the UNCTAD secretariat accordingly by contacting Mr. Juan Luis Crucelegui (juanluis.crucelegui@unctad.org) and Alda Sadiku (alda.sadiku@unctad.org).