

Mary Coughlan TD  
Tánaiste  
Minister for Enterprise, Trade and Employment  
Department of Enterprise, Trade and Employment  
Earlsfort Centre  
Lower Hatch Street  
Dublin 2

30 September 2009

**RE: Grocery Code of Practice Consultation**

Dear Tánaiste,

I enclose a submission by RGDATA on the Grocery Code of Practice Consultation which you initiated on 11 August 2009.

The contents are largely self explanatory, but in summary RGDATA strongly believe that some statutory mechanism is required to govern abuses of the contractual relationships between retailers, suppliers and wholesalers. RGDATA also believes that the existing competition laws are insufficient and inadequate to effectively prevent the abuses of the trading relationships concerned.

The key to addressing the issues that gave rise to concerns about the treatment of suppliers is to ensure a balanced response and one which recognises the dynamics and complexities of the grocery sector in Ireland. The matter cannot be viewed purely from a competition policy perspective – there are many other equally important policy considerations to take into account, including employment, the agri-food sector, sustainability, consumer welfare and social capital.

When giving consideration to the policy and legislative options that are available to the Government to respond to the challenges that have faced the grocery and food sector in recent years, there is an imperative to ensure that the levels of information available about turnover, profitability and margins in the trade is increased. At present much of the commercial activity that occurs in the trade does so in an atmosphere of intense secrecy where some of the largest companies in the world go to inordinate lengths to conceal their profitability and turnover in this market. The unwillingness to reveal this information creates a real difficulty and means that suppliers, policy makers, competitors and of course consumers must engage with these large companies in complete ignorance about their profitability in this market.

It is important that the government response to the difficulties that the food and retail sector has faced is correct. The stakes are extremely high with major challenges to both

the indigenous food production sector and the retail grocery sector. Irish consumers will not be better off if they have reduced choice of goods and retailers to choose from, particularly when those Irish retailers and Irish producers can match the best in the world in terms of quality and price, when given a fair chance to do so.

Yours sincerely

A handwritten signature in black ink that reads "Tara Buckley". The signature is written in a cursive, flowing style with a long horizontal flourish extending to the right.

Tara Buckley  
Director General  
RGDATA