

13 February 2015

Grocery Regulations Consultation
Competition and Consumer Policy Section
Department of Jobs, Enterprise and Innovation
Earlsfort Centre
Earlsfort Terrace
Lower Hatch Street
Dublin 2

Re: Grocery Regulations Consultation

Dear Sir/Madam

The Department of Jobs, Enterprise and Innovation (DJEI)'s proposed Grocery Goods Regulations are likely to retard job growth, reduce efficiency/flexibility and discourage entry/innovation.

I have set out my reasons for coming to these conclusions with respect to the regulation of the commercial relationships between suppliers and grocery goods undertakings in a series of papers¹ and submissions.² I do not propose to rehearse those arguments here.

It seems to me that before the Grocery Goods Regulations are introduced that they are first subject to a thorough and independent Regulatory Impact Analysis (RIA). This is important. The empirical basis for the Grocery Goods Regulations is slim.

This is recognized even by those in favour of such regulations. A leading law firm closely involved in the grocery sector, although in favour of a statutory Code of Conduct, nevertheless 'advocated that the underlying justification for such a Code should first be articulated on the basis of a robust investigation and research on supplier/retailer relationships.'³

Such a RIA would ensure that the impact of the Grocery Goods Regulations not only is consistent with the Department's objectives but also in the interests of consumers.

Yours sincerely

Dr Paul K Gorecki
ESRI Research Affiliate

¹ Paul K Gorecki, 'A Code of Conduct for Grocery Goods Undertakings and an Ombudsman: How to Do a Lot of Harm by Trying to do a Little Good.' *Economic and Social Review*, Vol. 40, No. 4, Winter, 2009, pp. 461-488 & Paul K Gorecki, 'Is a Code of Practice Needed for the Grocery Trade.' *ESRI Research Bulletin*, 2010/1.

² Paul K Gorecki, 'Submission to the Department of Enterprise, Trade and Employment on the Consultation Paper, Code of Practice for Grocery Undertakings' ESRI, 2009; and, Paul K Gorecki, 'A Submission to the Department of Jobs, Enterprise and Innovation on the Proposed Statutory Code of Practice for Designated Grocery Goods Undertakings,' ESRI, 2011.

³ As cited in John Travers, *Exploration of the Possibilities of the Agreement of a Voluntary Code of Practice for Grocery Goods Undertakings.* Report of the Facilitator (Department of Enterprise, Trade and Innovation, May, 2011), p. 5.