



PRESS RELEASE

IMMEDIATE RELEASE: 29 July 2011

RSA Response to Select Committee Report: MPs reject supermarket whinging

The Business, Innovation and Skills Select Committee has firmly rejected pleas from the big supermarket chains (with the honourable exception of Waitrose) to water down the powers of the new role of Grocery Code Adjudicator (GCA). The Committee gave short shrift to their cynical request for a yet another review of the way the industry treats its suppliers. The MPs went a step further than the current Bill, suggesting that penalties for ignoring the Code of Practice should include possible fines, not just "naming and shaming".

They also acknowledged that the raw market power of the big supermarkets requires that the anonymity of potential complainants needs maximum protection. The Committee recognised the potential role of trade associations in complaint process, as well as the need to allow whistleblowers to provide evidence. The supermarkets' bleating that the cost of the GCA's office would lead to higher prices for consumers – in reality a cost of a few million pounds per annum set against supermarket profits measured in the billions – was given short shrift.

The RSA appeared before the Committee to give evidence. Ken Parsons, its Chief Executive, said, *"We welcome the robust way in which the Select Committee has largely rejected the self-serving blocking tactics from the supermarkets and instead accepted the very real need to protect suppliers from unfair buying practices. The lack of hard evidence coming from the big grocery suppliers spoke volumes. It clearly shows how cowed they are and this in itself demonstrates the need for the Grocery Code Adjudicator to help restore a more healthy power balance to the marketplace. Smaller shops are prepared for fair competition and a strong GCA will go some small way to ensure that this is what they actually face from the big supermarkets"*.

Notes for editors:

The Rural Shops Alliance (RSA) is the national voice for about 7,500 rural retailers. We campaign on their behalf and also help these shops to become more competitive with practical advice and support, to the benefit of thousands of rural communities. Many 'blue chip' suppliers and county councils sponsor and partner the work of the RSA. Our direct contact with rural shops and with these organisations means that we keep in close touch with emerging issues and concerns in our fast changing business sector.

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