

Foreword by Desmond O'Malley, T.D., Minister for Industry and Commerce



The Retailing Sector in Ireland has become increasingly competitive in recent years. Competition in this sector is not confined to price alone but is evident in the provision of choice, quality of service, facilities and hours of business. This is a healthy situation which has benefits for both consumers and traders. However, it is necessary to underpin and to promote the principle and the process of competition with a comprehensive legislative framework. I believe, that with the coming into force of the Competition Act on 1 October, 1991, this framework is now in place.

This legislation applies to all sectors of economic activity and represents a new direction for competition law in this country, bringing us into line with most of our European partners. It replaces the principle of a control of abuse system which operated on a sector by sector basis under the Restrictive Practices Acts with a blanket prohibition on all abuses or anti-competitive activities.

The Act lays down general principles that can deal comprehensively with anti-competitive behaviour in all its guises. Furthermore, it allows those adversely affected by the anti-competitive activities of others direct recourse to the courts to seek injunctive relief or damages.

This legislation is a further instrument which the Government has put in place to assist Irish enterprises to prosper. The single most important message is that this law seeks to free the Irish economy of the impediments of anti-competitive practices that have become endemic in some business sectors in this country. Such invidious behaviour is a barrier to enterprise and infringes the rights of others to engage in economic activity. The retail sector is only too well aware of the damage to trade that can be caused by anti-competitive behaviour and the abuse of economic power.

The new legislation revokes all the Restrictive Practices Orders with the exception of the Restrictive Practices (Groceries) Order, 1987. The Fair Trade Commission's Review of the Groceries Order, was published on 2 December 1991 and the findings of the Report will, I am sure, be read with great interest in the trade. The Report has brought to light new and very positive developments in the grocery sector.

Some people involved in the grocery trade have made strong representations to me in favour of retaining the Groceries Order arguing that it helps to maintain order and stability in the trade.

Others favour its revocation arguing that its scope is limited by the specific nature of its prohibitions. I would stress again that the Competition Act seeks to regulate in terms of general principles, rather than specific rules which can be over-bureaucratic and difficult to implement.

The new legislation, therefore, has a much wider scope than the Restrictive Practices legislation and there is therefore no cause to retain legislation parallel to the Competition Act indefinitely.

I would urge all those involved in the retail trade to familiarise themselves with the Competition Act. While the new law imposes certain responsibilities on every single business, it also offers protection in a form which heretofore was not available. It is in the interests of everyone operating in the retail sector to be aware of their new rights and responsibilities. The law exists for the benefit of traders, consumers and for the overall economic welfare of this country. I urge you to respect it and to use it to its full potential.

Finally, I would like to wish all those associated with the retail sector a competitive and a prosperous year in 1992.