

Ms. Melowen
for Groceries file

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**DEPARTMENT OF
ENTERPRISE & EMPLOYMENT**

PRESS & PUBLICITY OFFICE

**Bruton retains Groceries Order for 2 years
but expresses concern about long-term competition in Sector.**

Mr. Richard Bruton T.D., Minister for Enterprise and Employment announced today (Tuesday, 28 February, 1995) that he had decided to retain the Restrictive Practices (Groceries) Order, 1987 for a period of two years.

In announcing the move, Minister Bruton said, "This was necessary because, competition law, as it now stands, is ill equipped to address anti-competitive activities such as "hello money" and (predatory) price wars which had been a problem in the grocery trade. Of their nature these practices can have severe negative consequences for suppliers, retailers and, indeed, consumers in the longer term."

On the present competition law regime, the Minister commented, "I am determined to rectify the manifest deficiencies in the existing competition regime. The Competition Authority has no powers of enforcement at present and the Competition Act, 1991 contains no adequate penalties for abuses. I intend to amend the Competition Act to deal with these defects", Minister Bruton emphasised.

In the light of these concerns, the Minister continued saying, "When this legislation is on the statute books and in operation, I will then consider revoking the Groceries Order."

Asked about the future of the Groceries Order in two years time, Minister Bruton replied, "I am convinced that the Groceries Order is not the best instrument for dealing with competition in this sector in the long-term. I recognise that it represents an element of regulation applying to just one sector, whereas competition law should be applied in a uniform way for all sectors of the economy. I am also concerned that there is some evidence that the Groceries Order may be inhibiting desirable price competition to the disadvantage of the consumer. We must have a market that is as fair and unrestricted as possible, with as few exceptions as possible."

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Any enquiries to Martin Territt, Press and Publicity Officer, @ 676 4591 or 088 594 144.