

Chapter Eight

Impact on Prices and Inflation

8.1 Introduction

There have been a considerable variety of conclusions drawn in the different submissions we have received in regard to the impact of the Groceries Order on inflation, on the absolute level of prices in Ireland and on the comparative prices relative to those in other jurisdictions.

We believe that many of these differences can probably be explained by the different reference periods used and the product categories identified. However, because of the different inputs chosen, it is difficult to draw direct comparisons between the different submissions received. It would have been a hugely labour intensive exercise to recast all the figures and statistics to a common base and product coverage and, we suspect, a not very rewarding one.

Our approach instead has been to analyse the different propositions advanced and test them against our own analysis. We hope we have been successful in doing this in an objective fashion.

In what follows, we neither make nor imply any criticism of any party for the way in which they have presented their chosen statistics. It is, in our view, an entirely valid use of statistics to choose the data that best illustrates your argument or case.

8.2 Product Coverage

In assessing any impact, we feel we must begin with an assessment of what products are covered by the Order and what products are not. The Order says that grocery goods means:

Grocery goods for human consumption – excluding fresh fruit and vegetables, fresh and frozen meat, fresh fish and frozen fish which has undergone no processing other than freezing.

Intoxicating liquor sold for consumption off the premises (i.e. off-licence sales), and

“Household necessities” (excluding foodstuffs) as are normally sold in grocery stores.

The definition of household necessities is a matter of legal interpretation as evidenced by a recent High Court decision to the effect that disposable nappies are not covered. We have addressed this issue in more detail in

Paragraph 12.7 below. At a recent meeting of the Joint Oireachtas Committee on Enterprise and Small Business, a representative of the Central Statistics Office indicated his view that light bulbs were covered. In fact, an even earlier court decision concluded that light bulbs are not covered.

Suffice to say at this point that the definition of household necessities is uncertain. Its inclusion for the purpose of comparing or assessing the impact of the Order is problematic. Furthermore the CSO say that household necessities have a much lesser weighting in the computation of the CPI than do foodstuffs.

This problem of definition does not arise when it comes to alcohol. All alcohol products sold in off-licenses are covered – regardless of whether or not the off-license is part of a grocery store. Certainly, up to recently, a large proportion of independent and symbol group “convenience” stores would not have had an off-license and while this does not mean that the multiples were not competing with stand-alone off-license outlets, it does suggest that in some circumstances at least the level of such competition may have been more limited than for a broader range of grocery goods.

The definitions are also clear in the case of food, although even there, some problems have arisen in the past. For example, some years ago a court ruled that that sausages were. It appears that the issue hinged on whether sausages were fresh meat or processed food.

The National Consumer Agency estimates that 75% of food items in a typical shopping basket fall within the scope of the Groceries Order. We have confirmed this directly with the Central Statistics Office.

Our conclusion is that it is reasonable, for comparison purposes to exclude “household necessities” from the figures given the uncertain legal position and their relatively small weighting within the overall CPI

8.3 Inflation

It is impossible to quote all parties who have submitted on this issue. However, the conflicting views of the different parties can be best reflected in the following extracts from submissions received:

IBEC:

“Analysis of the official....CSO figures shows that Irish food price inflation has been significantly lower than general inflation since the Order was introduced in 1987. In fact, food inflation has been falling over the past number of years with 2004/5 levels actually negative, leading to one of the lowest levels of food inflation in Europe.

This compares to inflation in food consumed outside the home to which no groceries order applies....The price of a jar of coffee has fallen by

4% in the period to December 2001 – June 2005. However, the price of a cup of coffee in a café has increased by 20%

Only 65% of supermarket goods are covered by the ban on below cost selling. Inflation in this category has been lower than inflation in goods not covered by the Order...by 20% in the period from April 1994 to December 2004. This shows that where retailers can sell products at cost they rarely do.”

RGDATA

“In the latest CSO figures, the annual rate of inflation fell to 2.1% for June 2005. In particular there were decreases in the price of food and non-alcoholic beverages, many of which are covered by the Order

This pattern of low inflation in food prices is not a recent phenomenon. In the period from January, 1995 to May 2005, overall prices in the economy increased by 35.9%. Over that period food and non-alcoholic beverages increased by just 26.8%

Food prices fell by 0.3% in 2004 while overall inflation stood at 2.3%. This is proof positive that the grocery market is highly competitive.

Since 2001, overall prices have risen by 9.3% and food prices have gone up by 3%”

“...In the period between 1998 and 2002, the percentage change in the indices of goods covered by the Order was 44.1%, while the figure for goods excluded from the Order was 51.7%”.

Joint Oireachtas Committee

“The reality of the Irish grocery trade, at the present time, is that it is very competitive. This is evidenced by the annual minus 1.4% rate of inflation for food products in the year to June 2005.

The annual rate of inflation has been less than 1% since August 2003. If the grocery trade was uncompetitive or was being protected from competition in any way, inflation would be higher.

In addition the Irish rate of food inflation has been lower than the European average for quite some time. In the year to May 2005 (the latest information available), Irish food inflation was reported by Eurostat to be minus 1% compared with the Eurozone average of 0.6% and the EU 25 average of 0.9%. UK food inflation in the year to May 2005 was 2.4% higher than the Irish rate of Inflation.”

Competition Authority

"High prices for food in Ireland are in stark contrast to other retail sectors where prices have fallen. "Between 2000 and 2004 the rise of food prices compared to the reduction in clothing and household goods prices was

<i>Food & Non alcoholic drink:</i>	<i>+9.6%</i>
<i>Clothing & footwear</i>	<i>- 15.9%</i>
<i>Household durables</i>	<i>- 3.9%</i>

Since June 2001 food items covered by the Groceries Order have increased 7.4% in price whereas food items not covered by the Order have decreased by 5.1%."

National Consumer Agency

"...price inflation for foodstuffs covered by the Order was 51% per cent in the 18 years since 1987. In contrast, price inflation for foodstuffs not covered by the Order has been 42% during that same period."

8.4 Who to believe?

There is clear disagreement between the parties in regard to the rates of inflation applicable to the two categories of goods - those covered by the Order (which we will call "GO goods") and those not covered by the Order (which we will call "non-GO goods").

Based on the foregoing extracts from submissions received, the six basic propositions advanced can be summarised as follows.

- Groceries Order food is subject to higher inflation (or lesser inflation depending on your view) than non-groceries order food.
- Food purchased for home consumption increased by a lesser amount than food purchased for consumption outside the home.
- Food price inflation is higher than inflation in other retail sectors
- Food price inflation is less than general Inflation
- Food price inflation is generally low
- Food price inflation is lesser than the average of food price inflation in the EU.

We will examine each proposition in turn

Groceries Order food v. non-Groceries Order food.

We are going to begin by looking in detail at the Competition Authority submission. We do this for practical rather than partisan reasons.

We do it because their analysis is more extensive than in other submissions and allows us a broader base on which to draw any conclusions. We also do it because they have presented their figures in a very visual way which allows for easier analysis.

The figures submitted to us by the Competition Authority are in Table 8.

TABLE 8

Price Index on Food and Drinks Consumed at Home (June 1987- June 2005) For €100 spent in June 1987			
	Overall	Items Covered by the Order	Items Not covered by the Order
1987	100.0	100.0	100.0
1988	101.9	102.0	101.8
1989	106.2	104.9	109.2
1990	109.5	108.2	112.7
1991	109.2	108.6	110.5
1992	111.8	111.3	112.9
1993	109.8	110.3	108.4
1994	115.0	114.2	116.7
1995	117.8	117.0	119.9
1996	119.9	120.3	118.6
1997	121.3	122.1	120.5
1998	127.3	125.9	133.1
1999	130.6	129.5	135.7
2000	133.8	135.0	131.8
2001	142.6	141.0	149.9
2002	147.1	146.1	152.0
2003	150.6	150.9	151.3
2004	150.8	151.6	149.0
2005	149.1	151.4	142.2
% Growth Over period	49.1%	51.4%	42.2%
Source: Derived from CSO data (rebased by The Competition Authority)			

The Authority derived this table in the following way. They approached the Central Statistics Office asked them to carry out a detailed analysis of the food components of the Consumer Price Index since the introduction of the Groceries Order in 1987.

The Authority did this by dividing the Consumer Price Index into two categories (GO and non-GO) using a list of items derived from the definition of “grocery goods” as contained in the Order.

We are satisfied, in so far as we can be, that the lists of items used to compile the table are typical GO and non-GO foodstuffs as appropriate. The Director of Consumer Affairs has confirmed this at our request.

The Authority’s table shows that the percentage increase in the CPI for the items on this list covered by the Order between 1987 and 2005 was 51.4%, while the equivalent percentage increase for items not covered by the Order was 42.2% in the same period. (The National Consumer Agency’s submission essentially reached the same conclusion)

We have confirmed the accuracy of the statistics used in these submissions directly with the CSO.

Based on the table the Authority have concluded that *since June 2001*, food items covered by the Groceries Order have increased 7.4% in price whereas food items not covered by the Order have decreased by 5.1%.”

We cannot fault these calculations but, in such comparisons, we believe that the choice of reference period can be critical. In this regard there is no obvious reason for starting the period in 2001, although it has occurred to us that it was in this period that the impact of discount chains Aldi & Lidl should have begun to generate greater competition in the marketplace.

It is impossible to say definitively that the Groceries Order has stifled such competition on GO goods but it is at least conceivable that it has played a part in creating a divergence in the rates from this point on.

We carried out further analysis of this table to see how the picture might change using a variety of different reference periods. We calculated the different rates of inflation on GO and non-GO goods for each of 15 different four year periods since the Order was introduced in 1987 – the periods being 1987 – 1991, 1988 – 1992, 1989 – 1993 and so on.

The results are contained in Table 9

What the table shows is that for 8 of the 15 periods, the price of non-GO goods increased by a greater amount than did the price of GO goods. And so the only conclusion seems to be that the period chosen can significantly alter the result.

It is true, nevertheless, that taking the period since 1987 as a whole, GO goods have increased more rapidly in price than non-GO goods, i.e., 51.4% compared to 42.2%.

Table 9 Trends in Prices of Food & Drinks Consumed at Home

Year	Overall	Covered	4Y Trend	Not Covered	4Y Trend	Covered v Not Covered
1987	100.0	100.0		100.0		
1988	101.9	102.2		101.8		
1989	106.2	104.9		109.2		
1990	109.5	108.2		112.7		
1991	109.2	108.6	8.6	110.5	10.5	-1.9
1992	111.8	111.3	9.1	112.9	10.9	-1.8
1993	109.8	110.3	5.1	108.4	-0.7	5.9
1994	115.0	114.2	5.5	116.7	3.5	2.0
1995	117.8	117.0	7.7	119.9	8.5	-0.8
1996	119.9	120.3	8.1	118.6	5.0	3.0
1997	121.3	122.1	10.7	120.5	11.2	-0.5
1998	127.3	125.9	10.2	133.1	14.1	-3.8
1999	130.6	129.5	10.7	135.7	13.2	-2.5
2000	133.8	135.0	12.2	131.8	11.1	1.1
2001	142.6	141.0	15.5	149.9	24.4	-8.9
2002	147.1	146.1	16.0	152.0	14.2	1.8
2003	150.6	150.9	16.5	151.3	11.5	5.0
2004	150.8	151.6	12.3	149.0	13.1	-0.8
2005	149.1	151.4	7.4	142.2	-5.1	12.5

Source: Based on Competition Authority figures

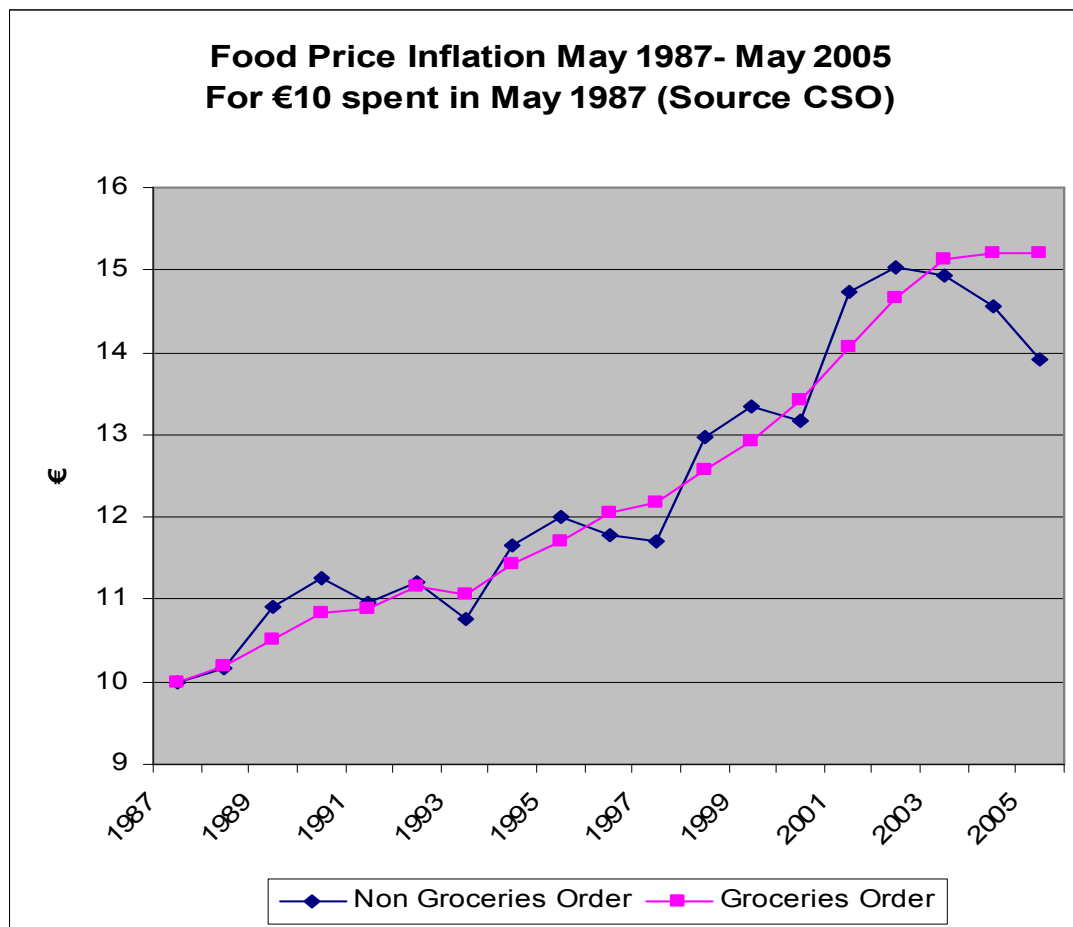
However, there is no consistency in the price movements of the two categories of goods over that period as can be seen in the graph at Table 10 which plots the price movements of GO and non-GO goods since the introduction of the Order in 1987.

Further, the patterns of price movement are very different, with GO showing a very smooth consistent rate of change and non-GO goods showing a much more volatile pattern. This is probably to be expected because the non-GO goods are largely comprised of fresh foods where the cost of production may be less constant.

On the other hand, the table might be used to show that variations in prices on non-GO products can and are being passed through to the consumer more transparently than for GO goods.

Which ever of the above tables we use, it is immediately apparent that one reason for the very different conclusions drawn in the submissions made to us is the different reference periods used.

TABLE 10



Source: CSO

Food purchased for home consumption v food purchased for consumption outside the home.

It also appears that another reason the conflicting figures quoted is that they are not comparing like with like and have been compiled using different inputs.

The IBEC submission states that *“there is no ban on below cost selling in cafés or restaurants and yet prices have increased at five times the rate of food sold at retail level”*.

The IBEC submission also states that inflation on food consumed outside the home has increased by a factor of 18% since the introduction of the euro as opposed to a 2% increase in food sold at retail.

These statements would confirm what in our view is a common public perception. However, we question whether or not it is a valid comparison as

food purchased in bars and restaurants is indicative of increases in service costs more so than it is of food prices.

As already explained, the list of items used in the Competition Authority and NCA analyses are typical foodstuffs sold in grocery shops. Foodstuffs purchased by consumers in cafés and restaurants have not been included. In our opinion, this is the correct approach.

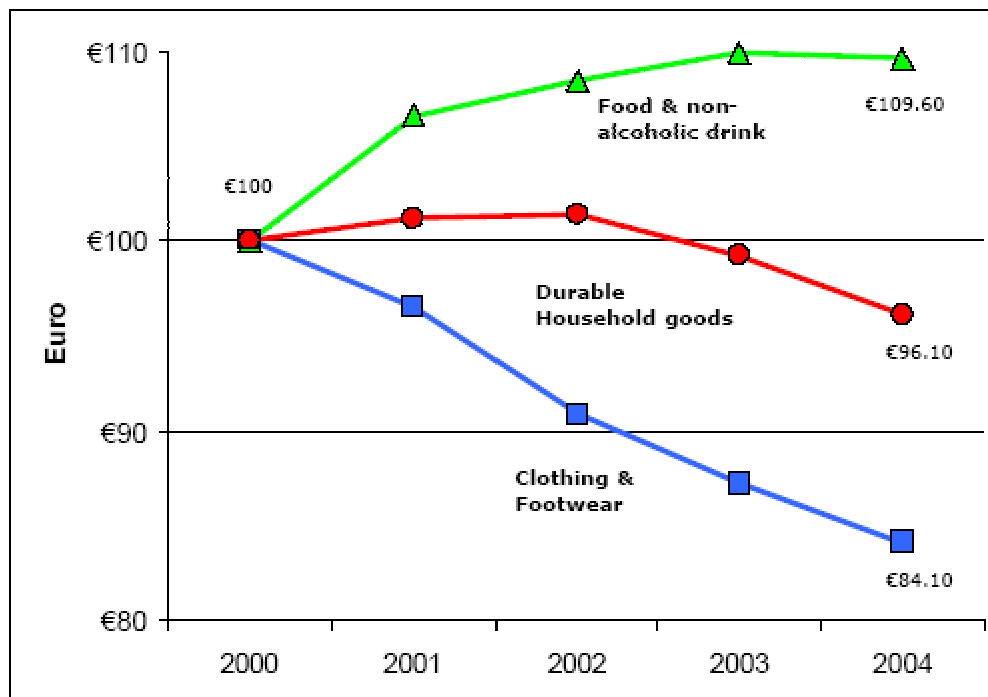
If the cost of eating out was included on the non-GO list of foodstuffs, therefore, it would show a dramatic increase in the level of inflation on those non-GO items. In particular, we believe it would show inflation on non-GO items to be higher than that on GO items as argued by IBEC and RGDATA.

Food price inflation v inflation in other retail sectors

In comparing price movements in the Food and Non-Alcoholic Drink category of the CPI with selected other categories, the Competition Authority's submission uses the reference period (2000-2004). The Authority illustrates how the rising cost of food in Ireland is *"in stark contrast with other retail sectors where prices have fallen"* using the figures in Table 11.

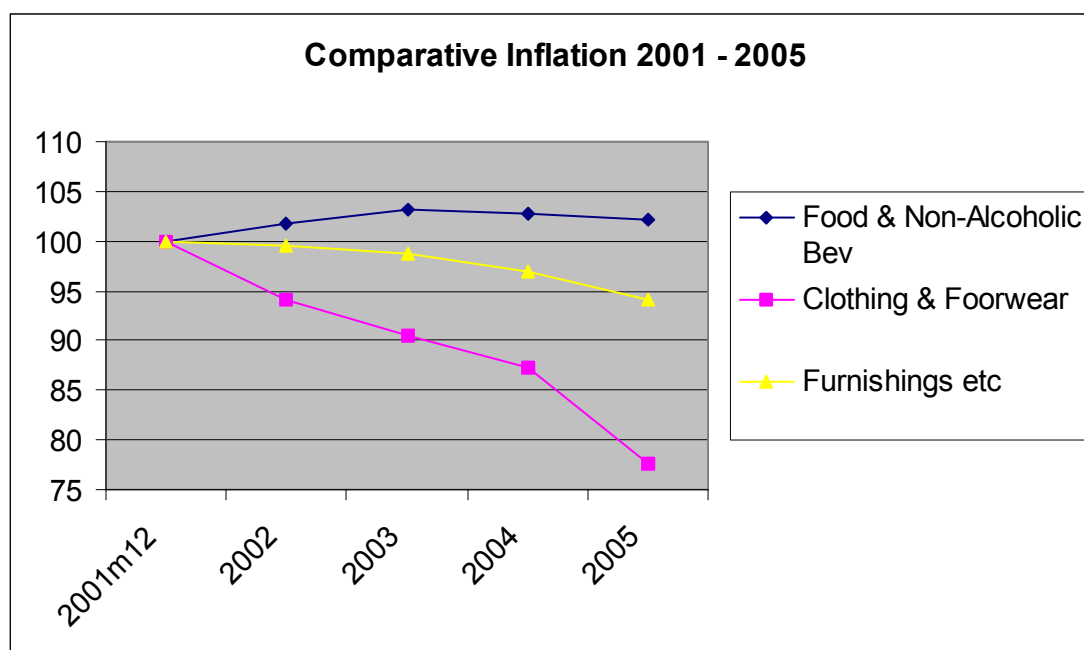
This table shows an increase of 9.6% on food and non-alcoholic beverages compared with decreases of 3.9% and 15.9% on household durables and clothing and footwear respectively. We agree that this example is both interesting and accurate, at least for the period cited by the Authority.

TABLE 11 Food Inflation v Other Retail



If we look at the CPI for July 2005 and go back to December 2001, the result is broadly similar (see Table 12). Food and non-alcoholic beverages increased by 2.2% while clothing and footwear decreased by 22.3% and household durables decreased by 5.8%.

TABLE 12



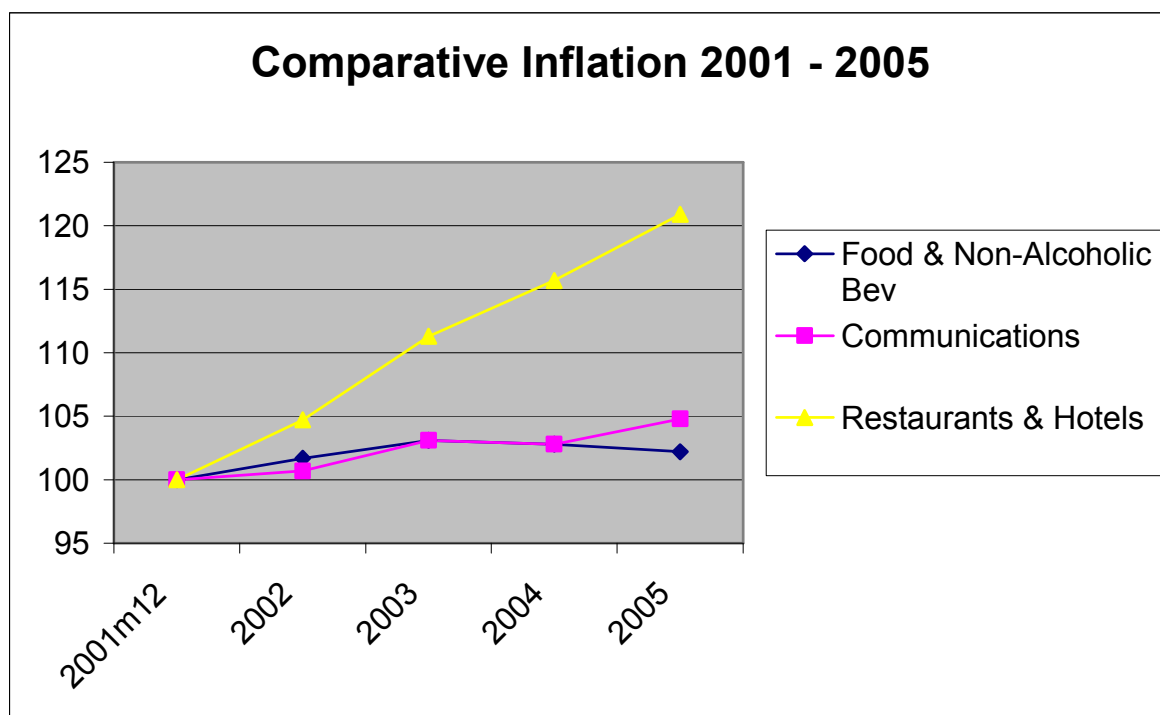
However, we have to conclude that an increase of 2.2% over three and a half years (compared with the 9.6% increase in the period chosen by the Authority) does not seem excessive but that is an entirely subjective statement unless the increase is measured against other relevant indicators.

Further, the two categories with which the Authority's submission compares the food category are the only two of the 12 categories in the CPI to perform better than food over the period. For example, Restaurants and Hotels (which includes pubs) increased by 20.9% and Communications also shows a greater increase (4.8%) (See Table 13)

However, the general category of "Goods" (defined as "non-service items usually purchased and transportable from a retail outlet") shows an increase of 4.4% over the period, twice the increase for Food and Non-Alcoholic Beverages.

In light of this fact it is difficult for us to reach the same conclusion as in the Authority's submission that "high prices for food in Ireland are in stark contrast to other retail sectors where prices have fallen".

TABLE 13



Source: CSO

It must also be acknowledged that in the case of some of the other sectors, in particular Clothing and Footwear, many of the goods in question are likely to have been imported from low cost economies and the reduction in the cost of these items is almost certainly in part a reflection of that fact.

Food price inflation v general Inflation

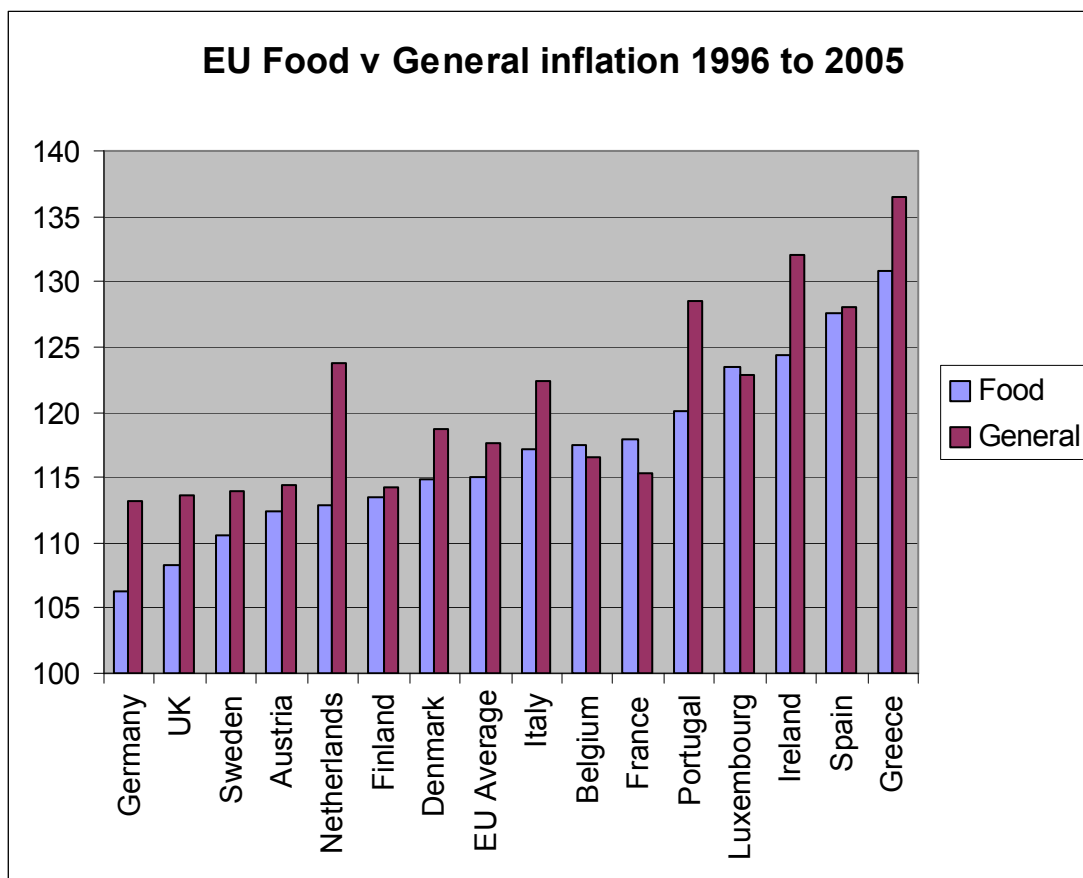
Our initial reaction to this proposition was that it was a fairly self-evident feature of inflation given the overall weightings within the CPI of food and non-food.

However, rather than accept it at face value, we have compared food price inflation with general price inflation throughout the EU 15. We did this for the 15 pre-accession countries only, on the basis that we thought it likely that including the new member states would introduce extraneous economic factors associated with their recent move to market economies and that this might limit the validity of the comparison.

We have used the period since 1996 to date for this comparison because that was the year in which Eurostat (our source for the data) re-based their figures.

The results are set out in Table 14

TABLE 14



Source: Eurostat

What this shows is that there are only three of the EU 15 where food price inflation in the period chosen is greater than the general rate of inflation. Those countries are Belgium, France and Luxembourg. As we have identified in Chapter Nine, all three countries have a ban on below cost selling.

Food price inflation is generally low

This occurs again as a very subjective statement and the result would very likely depend on the reference period chosen. Nonetheless we have produced the data at Table 15 again based on CSO/Competition Authority figures.

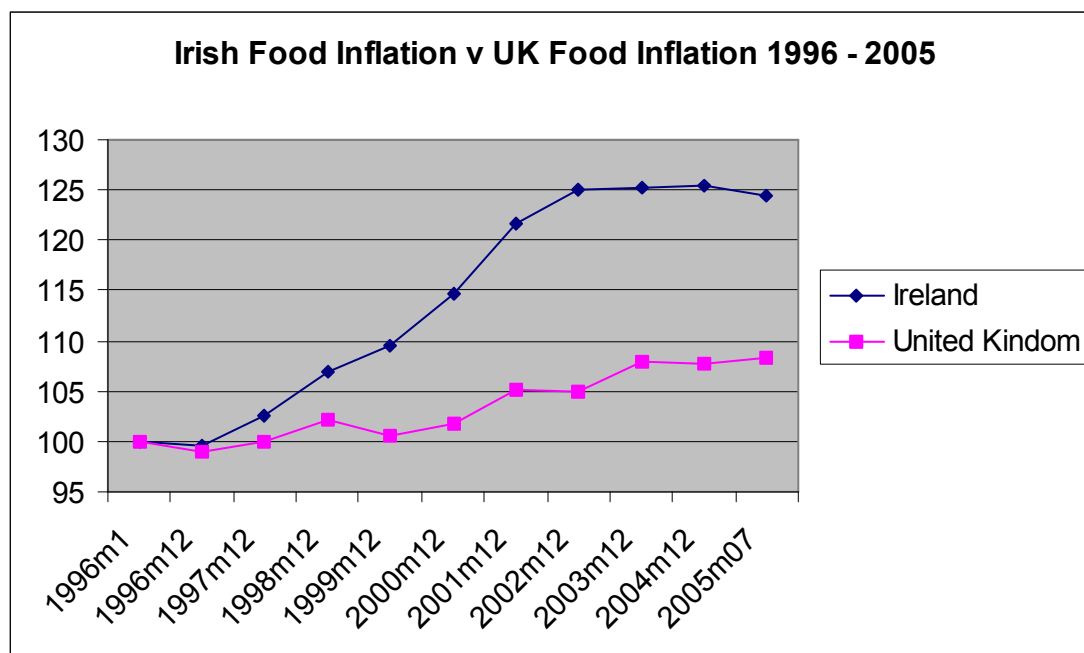
TABLE 15 Food Price Inflation 1987 – 2005

Year	Index	Annual % Change
1987	100.0	
1988	101.9	1.9
1989	106.2	4.3
1990	109.5	3.3
1991	109.2	-0.3
1992	111.8	2.6
1993	109.8	-2.0
1994	115.0	5.2
1995	117.8	2.8
1996	119.9	2.1
1997	121.3	1.4
1998	127.3	6.0
1999	130.6	3.3
2000	133.8	3.2
2001	142.6	8.8
2002	147.1	4.5
2003	150.6	3.5
2004	150.8	0.2
2005	149.1	-1.7

Source: CSO/Competition Authority

The table is inconclusive. However, we have compared the rate of Irish food inflation with that in the UK for the period since 1996 (again the period was chosen as 1996 was the date at which Eurostat rebased their figures). The result is shown in Table 16.

TABLE 16

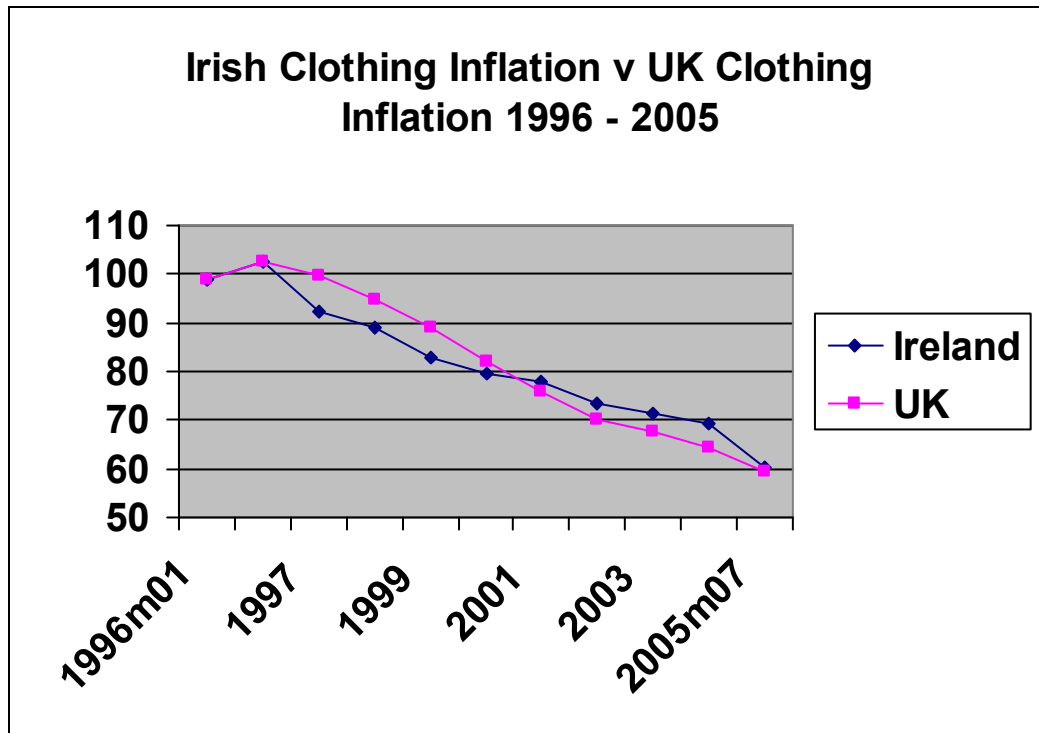


Source: Eurostat

The most striking factor here is that Ireland's rate of food inflation over the period is virtually three times that of the UK where the rate is 8.3%. The UK, of course, has no prohibition on selling below cost.

It could still be argued that this divergence in the rate of food inflation between our nearest trading partner and us might be the result of higher input costs over the period. If that were so, then we would expect to see the trend replicated in other retail sectors. In fact, the opposite is the case. Table 17 shows the comparative rates of inflation between Ireland and the UK in the clothing sector over the same period – 1996 to date.

TABLE 17



Source: Eurostat

This represents a startling contrast. Whereas inflation in food in Ireland diverged widely from the beginning of the period to end up at three times the UK rate, the rate of inflation in clothing is almost identical. In our view this difference in trends is not readily explained.

If, for example, differences between food price inflation in Ireland and inflation in other sectors is due to imports of clothing and footwear from low cost economies, we would have expected to see similar differences in UK trends. That we do not means that these differences in Irish rates are unlikely, in our view, to be adequately explained by an import substitution argument.

By the same token, something is driving Irish food inflation to be three times the rate in the UK and input costs in the retail sector do not seem to be the answer. This is highly suggestive of the retail food sector being protected from competition.

Irish food price inflation v Average food price inflation in the EU.

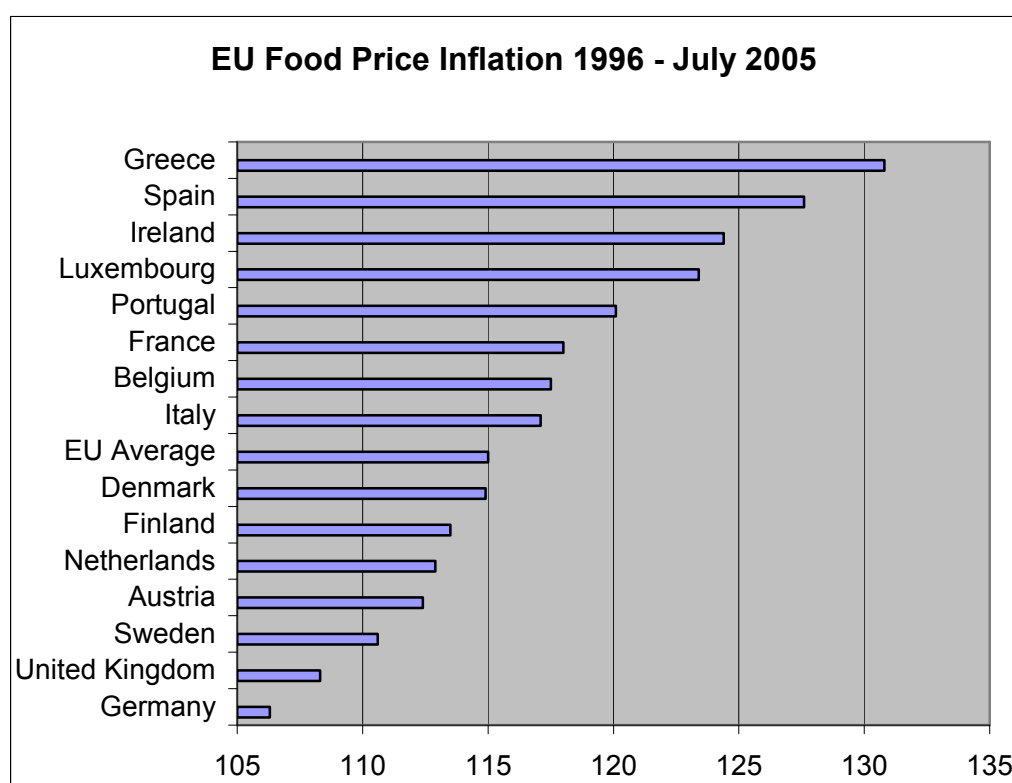
As with the tables above, we have used the period since 1996 to date for this comparison, shown in Table 18.

The most striking thing about these figures is the wide disparity in the rate of inflation between top and bottom. The Greek rate of food inflation over the period is 30.8% and the German is 6.3%. Ireland is third in the table with a rate of 24.4%.

We looked for some common factor that might link the countries that appear above the line of the EU average. They are a mixture of north and south European states and while they are all members of the Eurozone, there are some Eurozone counties in the lower half of the table also – most notably Germany at the very bottom.

We are very wary about drawing any conclusions from this data and in fact we don't do so.

TABLE 18



Source: Eurostat

However, we are bound to draw attention to the fact that the only thing we can find that these states have in common is that the eight countries with the highest rates of food inflation across the EU in the period since 1996 are the

eight countries we have identified in Chapter Nine as having a ban on below cost selling.

We don't say that this outcome is a direct result of the existence of a ban on below cost selling in the countries concerned. Nonetheless, it is an extraordinary coincidence that all countries above the line of the EU average have bans and all countries below the line have not.

8.5 Food Prices in Ireland

A significant feature of submissions received from those who wish to see the Groceries Order retained centres on criticisms of international price comparisons presented by the Consumer Strategy Group in their Report, *"Make Consumers Count."*

Criticisms of this survey have been widely reported in the media and are pretty well summarised by RGDATA in their submission as follows:

- *Many of the 20 products have no place in the average shopping basket of an Irish consumer.*
- *Some of the products are brand leaders in their home countries and would command a different market position*
- *The survey did not reveal the type of outlet in which the goods were purchased*
- *VAT was applied to some products to which VAT is not applicable.*
- *Bacardi Rum had the biggest price differential – due mainly to excise duty.*
- *Many of the products are imports to Ireland thus accounting for much of the differential in the basket.*

The products identified in the table are included to facilitate direct comparison because they are products that were available in all the countries surveyed – hence Bacardi Rum and not Bushmills' Whiskey, for example. Secondly, the survey was purchased by the CSG off-the-shelf and they did not choose the products.

Whatever the validity of the table, the fact that Ireland has higher prices than in many other parts of the EU is recognised by other authorities.

The National Competitiveness Council in their Statement on Prices and Costs, published in September 2004, said that:

“Between 2001 and 2002, Ireland overtook the UK and Sweden to become the third most expensive country in the EU for consumer goods and services.

Ireland is now the most expensive country in the Eurozone for food, non-alcoholic beverages...”

Eurostat’s “*Purchasing Power Parities and related economic indicators*” survey¹ for 2002 and 2003 was referred to by the Director General of the Central Statistics Office during his evidence to the Joint Oireachtas Committee on Enterprise & Small Business on 31 August last. He said

*“It is clear from that survey that Ireland is among the more expensive countries.”*²

We are, frankly, reluctant to be drawn into the debate because we do not consider it helpful in seeking to draw conclusions on the impact of the Groceries Order on prices and inflation.

Firstly, it is not our function to defend the CSG. There was an independent report to the Minister and the Government on the development of a national consumer policy.

Secondly, the survey was conducted as part of the CSG’s general assessment of the price environment in Ireland and not to construct an argument on the Groceries Order.

Most importantly, the CSG never advanced the table as a justification for their recommendation that the Order be repealed. Neither did the CSG suggest that prices were higher in Ireland than in other EU countries *because of the Order*.

What the CSG actually said was as follows:

*“...(the Order) keeps prices to the consumer **higher than they could be**. For that reason, the Group is convinced that the actual operation of the groceries order, as outlined above is inherently against the interests of consumers.”* (Emphasis added)

We also consider this debate unhelpful because there are so many factors that might influence price differentials between Ireland and other parts of the EU – not least input costs, consumer behaviour, spending power, overall economic performance and so on. In our view it would simply not be possible to sustain an argument that prices in Ireland were higher – or lower for that matter – than in other EU countries because we have a ban on selling below net invoice price.

¹ The survey covers 31 Countries, the EU 25 plus Bulgaria, Romania, Turkey, Iceland, Norway and Switzerland.

² Parliamentary Debates (Official Report – Unrevised) Vol. No. 77.

If they are higher, and it is generally accepted that this is the case, then they are higher for a whole range of reasons of which the Groceries Order may or may not be one.

But to try and isolate out the Groceries Order and say that this is the reason for higher prices compared with the rest of the EU is, in our opinion, an exercise doomed to failure.

8.6 Conclusions

The Consumer Price Index is the most accurate and objective measure of the rate of change of consumer prices over any given period of time.

We conclude that those who have referred to inflation figures in the course of their submission to this Consultation Process have done so in good faith and based on accurate data compiled by the Central Statistics Office. That office is not responsible for the way in which others use their data or for the conclusions they draw.

The very different conclusions presented to us can be explained by the fact that different parties have used different inputs and different reference periods as a means of illustrating the case they wish to make. Their reasons for choosing particular inputs and periods may be entirely valid.

Our own analysis may also be viewed by some as a little subjective although it is not intended to be. Our choice of reference periods is somewhat arbitrary and we fully acknowledge that a different choice might produce a different result.

In comparing rates of inflation in different sectors across the EU, we have chosen to begin the reference period in 1996, as that was when Eurostat rebased their figures and it made for ease of comparison. However, the date may well be appropriate for another reason.

Our analysis of the structure of the grocery trade in Chapter Five concludes that concentration in the market has been increasing and that in the period from 1994 concentration has been driven by consolidation below the level of the multiples and in the symbol/convenience sector. It is valid to examine whether or not such increased concentration might have impacted negatively on prices or inflation in the grocery trade since the mid-nineties.

While we cannot say so definitively, the possibility has to exist that this is the factor that has caused our food price inflation to diverge so dramatically from that of the UK in the intervening period.

At a minimum, there are certain anomalies shown up by the foregoing analysis, which, in our view, are not readily explained and which are highly suggestive of the retail food sector being protected from competition. In

particular, it would be unsafe to draw a conclusion that there is *no* connection between these anomalies and the Order.

In particular, why has our rate of food inflation diverged so dramatically from that in the UK over the past nine years?

Furthermore, we do not believe that the very much lower rate of inflation in clothing and footwear in Ireland can be adequately explained by low cost imports.

Finally, is it a coincidence that the countries with the highest rate of food price inflation in the EU all have a ban on below cost selling?

We have drawn conclusions elsewhere in this Report as to the merits of the Groceries Order and we strongly recommend that it be repealed in its entirety on account of what we regard as its disproportionate and virulently anti-competitive impact on the grocery trade in Ireland.

We recognise that there are very many factors that impact on the rate of inflation. As in the case of absolute price levels, it is impossible in our view to isolate out any one factor such as the Groceries Order and say that is the principal driver of either high inflation or low inflation.

Nonetheless, while we are reluctant to draw firm conclusions in regard to the impact of the Order on inflation and price levels, we consider that the foregoing analysis would support the case for repeal of the Order.