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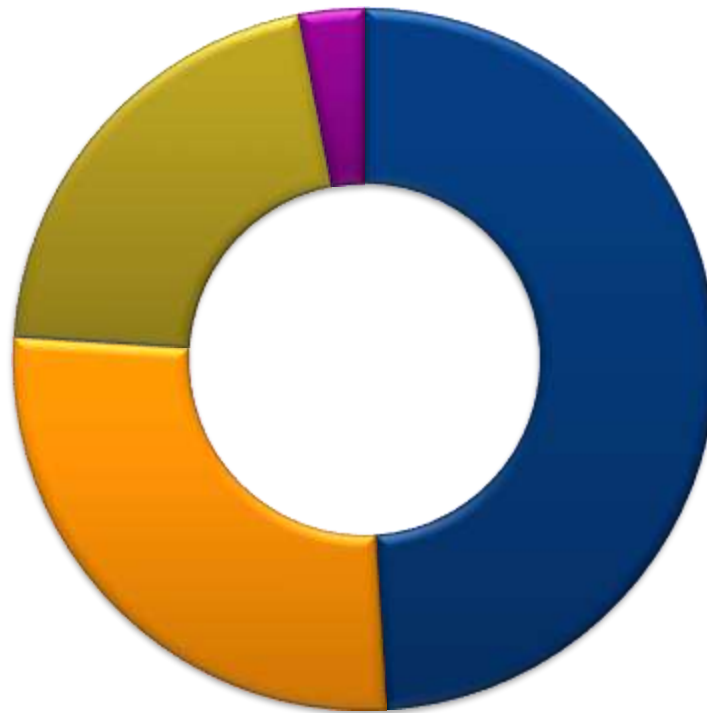
The Grocery Retail Market: Is Antitrust Efficiently Handling this market?

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Market Shares 1998



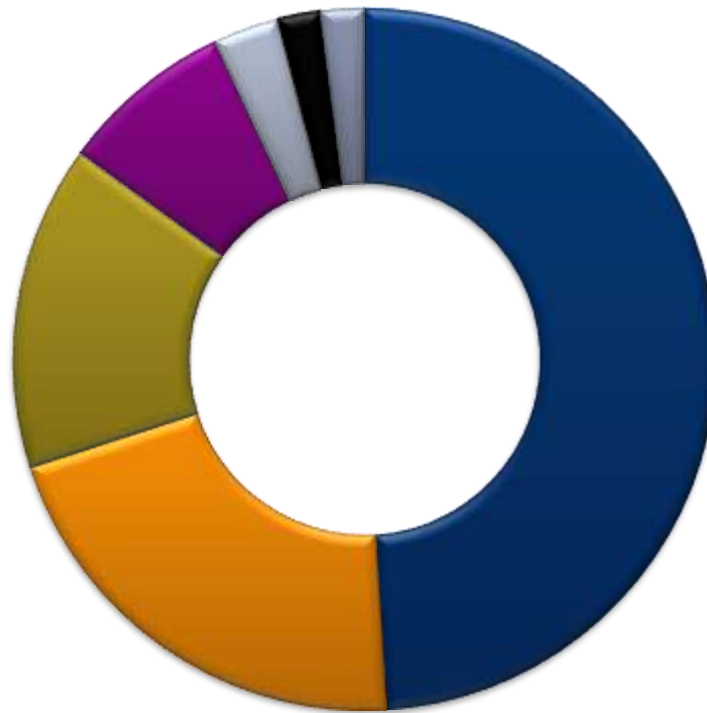
■ ICA

■ COOP

■ Axfood

■ Bergendahls

Market Shares 2011



■ ICA ■ COOP ■ Axfood ■ Bergendahls ■ Lidl ■ Netto ■ Vi

Swedish National Report to the LIDC Congress 2013

- **Applicability of Competition Law to the retail grocery sector**
 - *Currently no specific regulations – subject to general competition law as any other industry*
 - *Previously a block-exemption for voluntary retail chains*
 - *Abolished in 2001*
 - *General applicable rules to retail sector*
 - *Obsolete regulations on price control*

The grocery retail sector

■ **Advocacy**

- Several studies conducted by the KKV in recent years
 - Originally lack of competition leading to higher prices than comparable countries
 - Although macroeconomic factors accounted for about 50 % of the higher prices
 - Major concerns related to local government, zoning and planning procedures

Areas of major concern

- Access to shelf space
- Growing importance of private labels
- Entry barriers and inferior (?) entrepreneurship in Sweden
- Emergence of new kind of outlets – growing importance of hypermarkets and the new trade areas outwith city centres
 - New discount stores and introduction of cheaper ranges of groceries
 - Diminishing local patriotism despite heterogenic demand amongst consumers + increase interest in 'exotic' food

What to do about it...?

■ Checklist for local government

- a pronounced objective to facilitate newcomers for daily consumers goods and being permissive in that role;
- facilitation of establishment when food supply chains have reached the conclusion that establishments is commercially viable;
- a procedure resembling that in public procurement in order to facilitate a fair process for awarding permits to stakeholders wishing to establish locally;
- increased transparency in the application of planning rules; and
- unification of the planning process and permit granting across communities in order to make application of rules more foreseeable.

Either problematic or pro-competitive

■ The High Concentration Paradox

- *Concentration levels influence mark-ups and retail prices*
 - EU average: 13 percentage points
 - Sweden: 27 percentage points
- Size of local markets very important
- High concentration level have indeed lead to lower prices
 - One would expect the contrary to apply
 - Countervailing buyer power – bargaining power?
 - No apparent water-bed effect
 - Efficiencies appears to be passed on to consumers

Concentration cases

■ **Arla/Milko**

- Cleared with commitment to divest Grådö dairy plant

■ **Carlsberg/Pripps Rignes**

- Possible to exert pricing pressure on retailers as a result of > 50 % market share

■ **Cloetta/Leaf**

- Cleared: Retailers possessed bargaining power

■ **Fazer/Lantmännen Färskbröd**

■ **Swedish Meats/SLP Pärssons**

■ **Cerealia/Juvel**