



## **GROCERY RETAIL SECTOR MARKET INQUIRY PUBLIC HEARINGS GET UNDERWAY**

The Competition Commission's public hearings on the state of competition in the grocery retail sector got underway in Cape Town this afternoon.

The five day public hearings kicked off with testimony from Gugulethu entrepreneurs representing MJ Group of Companies and Gugulethu Liquor Traders Association. The purpose of the market inquiry is to examine whether there are features or a combination of features in the Grocery Retail Sector which prevent, distort or restrict competition. In seeking to understand the general state of competition in the sector, the inquiry probes six major areas.

These are the impact of the expansion, diversification and consolidation of national supermarket chains on small and independent retailers; the impact of long term exclusive leases on competition in the sector; the dynamics of competition between local and foreign owned small and independent retailers; the impact of regulations, including inter alia municipal town planning and bylaws on small and independent retailers; the impact of buyer groups on small and independent retailers; and the impact of certain identified value chains on the operations of small and independent retailers.

The four largest supermarket chains operating in South Africa, collectively account for more than 90% of the market. These firms are able to operate as grocery anchor tenants in shopping centres and malls of various sizes.

The movement of national supermarket chains into the townships, peri-urban and rural areas mainly through the construction of shopping centres has affected small, informal and independent retailers in a number of ways. The Cape Town public hearings will end on Friday 12 May and will move to Gauteng and KwaZulu-Natal.

[ENDS]

**Issued by:**

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On behalf of: The Competition Commission of South Africa

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**PUBLIC HEARINGS**

Date: 08 - 12 May 2017

Time: 08:30

Venue: Pepperclub Hotel and Spa,  
Corner Loop street  
Cape Town

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