



SOUTH AFRICAN NATIONAL CONSUMER UNION
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Ms Louise Du Plessis
Head of the Inquiry Technical Team
Market Inquiry into the Grocery Retail Sector
The Competition Commission
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Dear Ms Du Plessis

CALL FOR COMMENT: COMPETITION COMMISSION MARKET INQUIRY INTO THE SOUTH AFRICAN GROCERY RETAIL SECTOR.

The South African National Consumer (SANCU) hereby submits the following comments for your consideration which we feel may impact on the competitiveness of the retail industry:

1. Exclusivity agreements with prime tenants of shopping centres (this is already mentioned in the papers).
2. Rental space offered to prime tenants (anchors) at highly discounted rates, which places potential competitors at a cost disadvantage. Direct competitors should be offered the same rental rates as the anchors.
3. Store loyalty schemes are often highly opaque regarding the actual value of the benefits (e.g. try to find out what the Rand value of PnP Smart Shopper points are). Loyalty schemes should be required to quantify their benefits transparently.
4. By not implementing and/or promoting the concept of unit pricing of pre-packaged goods on shelf tags, stores encourage the practice of "downsizing" among suppliers, which itself is anti-competitive. All stores selling pre-packaged foodstuffs and similar household products should be required to implement and promote the unit pricing concept.

Yours faithfully

CLIF JOHNSTON (DR)
EXECUTIVE COMMITTEE