

Retail Abuses in the European Supply Chain

2019 July France

French government [brings](#) to court **Leclerc** (N°1 French retailers) and a set of its companies for unfair trading practices organised by its retail alliance, **Eurelec**, a joint venture with German retailer, Rewe, based in Belgium. The French ministry enquiry established that the retail alliance has requested suppliers to pay for no services, applied threats of delisting among others. Source: Ministry of Economy , press release N°1354 July 22 , <https://www.economie.gouv.fr/dgccrf>

2019 May Belgium

Carrefour and Provera (Cora Benelux) confirmed the visit of their company premises by the Belgian Competition Authority. The authority [confirmed](#) the inspection at retail chains which are suspected of having implemented anticompetitive practices related to a purchase partnership concerning consumer goods. As a reminder last November Carrefour and Provera announced the creation of a Belgian retail alliance. Sources: <https://www.belgiancompetition.be>, Press release N°15, May 20. <https://trends.levif.be> May 21.

2019 Mars UK

Groceries Code Adjudicator [finds](#) that the retail **Co-operative Group (Co-op)** did not respect the Groceries Supply Code of Practice (§16): “a significant number of Suppliers have been affected by De-listing without reasonable notice. This includes Suppliers of various sizes and across different categories”. In its report of the case, the authority analyses that a significant reduction in orders or removal of a product resulted in supplier incurring significant costs, in wastage of packaging and products. In addition, the unfair practice is recognised a source of inefficiencies, a loss of resources in “suppliers trying to obtain information from Co-op and uncertainty about the stock Suppliers would be required to provide to Co-op at any given time”. Source: <https://www.gov.uk/government/publications/> GCA Investigations, decision published March 25

2019 February Czech Republic

German retail group **Rewe**, for its chains **Billa and Penny**, has been [fined](#) (CZK 164 million; =/- 6.4 million €) by the Office for the Protection of Competition for requesting suppliers to pay for no services. Paying for nothing is considered unlawful. Source: Office for the Protection of Competition <https://www.uohs.cz/en/> February 22, case: 19/015/VTS001 – S0127/2017

2018 August Belgium

Court [rules](#) as illegal **Ahold Delhaize** forbidding its suppliers to work with a meat slaughter house. Source: L’Echo. August 9

2018 September Italy

Authority launches investigation of 5 retail chains (**Coop Italia, Conad, Esselunga, Eurospin, Auchan e Carrefour**) over unfair trading practices on bakery companies. Retail chains are forcing suppliers of fresh bread, to withdraw and dispose of at their own expense the entire quantity of unsold product at the end of the day. This practice is considered as an undue transfer of retail commercial risk to the weaker suppliers, craftsmen with few employees.

Source: <https://en.agcm.it> AL15 September 27

2018 September Czech Republic

German retailer **Kaufland** and German retail alliance (**Markant**) condemned by authority to pay back suppliers for abusive request for payment. In addition the authority confirms that *“participation in the Markant system is not a condition for the supply of food to the Kaufland chain and suppliers may terminate their participation in the Markant without prejudice to existing or future business relations between them and Kaufland”*. Retail chains have been ordered by authority to inform adequately their suppliers. Source: Office for the Protection of Competition September 9 <https://www.uohs.cz/en/> Case: 18/053/VTS001 – S0139/2017

2018 January Germany

The Federal Court of Justice confirmed the German competition's decision in its abuse proceedings against the retailer **Edeka** which requested over 500 suppliers to pay the retail chain a bonus as it was making the acquisition of retail chain PLUS in 2008. The proceedings concern EDEKA's demands for an "alignment of conditions", an "adjustment of payment terms" and a "partnership reimbursement" (to share the costs for the refurbishment of outlets). The Federal Court of Justice, like the Bundeskartellamt, declared the practice of powerful retailers to shift an excessive amount of their entrepreneurial risk to manufacturers illegal. Source: <https://www.bundeskartellamt.de> January 29 press release.

2017 December France

The French Ministry of economy is bringing to court **Carrefour, Casino and Amazon** electronic platforms for unfair trading practices: the platforms forced upon suppliers terms which allow them to unilaterally modify contract terms, suspend or cease business. Source: Press release December 18 <https://www.economie.gouv.fr/dgccrf>

2017 September UK

Groceries Code Adjudicator confirms its review of **Asda** 2016 policy: “suppliers were being asked for significant financial contributions to keep their business with Asda. In some cases, this was as much as 25% of the annual turnover of the stock keeping unit (SKU). If they were not successful in negotiating terms on which to remain listed, some reported being given non-negotiable periods of notice of de-listing, with periods of between four and eight weeks being reported to the GCA. Changes to terms of supply, including cost price reductions and routes to de-listing were presented to suppliers during the course of their existing agreements with Asda, as variations to agreed terms. Suppliers reported being given very little time to agree to any proposed changes, sometimes as little as 24 hours; in one case, overnight.” Violation of Groceries Code of Practices; §3 & §2. September 4 Source: <https://www.gov.uk/government/publications/> GCA

2017 April France

The French Ministry of economy [brings to court](#) the retail alliance **Incaa** of retailers **Intermarché and Casino** for unfair trading practices : no respect of contract, retroactive financial demands and illegal stop of order to force suppliers to pay the additional money requested. Source: Press release April 13 <https://www.economie.gouv.fr/dgccrf>

2017 January France

Highest Court [confirms](#) appeal court decision (2015) finding **Galec**, French retailer **Leclerc** buying alliance, action of forcing 46 suppliers to pay an end of year additional fee to the retailer illegal. Retailer is being fined and requested to return money to suppliers (61 million €). Source : Cour de cassation, chambre commerciale, Audience publique du 25 janvier 2017, N° de pourvoi: 15-23547

2016 November France

The French Ministry of economy [brings to court](#) **Carrefour** for unfair trading practices : request suppliers for additional money outside contract and not corresponding to any activities which is unlawful. Source: Press release November 9, <https://www.economie.gouv.fr/dgccrf>

2016 October Spain

Food authority against retail alliance **Dia Eroski** [found](#) that one retailer was guilty of 88 unfair trading practices over a set of suppliers while the other retailer was found guilty of applying 90 unfair trading practices, in violation of the Spanish Food Law Art.23 e/f/g. Source:el pais *Economia* <https://cincodias.elpais.com/> October 10

2016 June UK

Groceries Code Adjudicator [confirms](#) leading retailer **Morrison Supermarkets plc** requested lump sum payments from suppliers. “*Figures of around £2m for each half year*” outside the scope of contracts. Violation of Groceries Code of Practices; §3&2. June 20 Source: <https://www.gov.uk/government/publications/> GCA

2016 January UK

Groceries Code Adjudicator [confirms](#) leading retailer **Tesco** breached the grocery code of practice, having requesting suppliers to pay unjustified sum of money to balance its accounts. The amounts requested were “*over £100,000 to nearly £2 million*” (per supplier) according to the investigation. Violation of Groceries Code of Practices; §2,5,12. These practices have also been considered as representing a financial fraud for which Tesco received a 129 million fine). Source: <https://www.gov.uk/government/publications/> GCA January 26; <https://www.sfo.gov.uk/cases/tesco-plc/>

2015 June Italy

Acting on information provided by a supplier of fresh fruit and vegetables, the Antitrust Authority [launched](#) an investigation against **Coop Italia** for abusing its commercial power in the agri-food business to request suppliers a number of discounts and financial contributions not proportionate to the current. Source: <https://en.agcm.it/en/> 24 June AL14

2015 March Hungary

More than 1 billion HUF [fine](#) on **Auchan** for its unilaterally imposing an after sale price discounts from its suppliers in order for the suppliers' products to be stocked, or continue to be stocked, by Auchan <http://www.gvh.hu/> Case number: Vj/60/2012 March 23