

Press Release

16th February 2018

Government review reinforces and improves GSCOP

Today's Government announcement safeguards the effectiveness of the Groceries Code Adjudicator (GCA) and takes a step towards ensuring that all large retailers of grocery products deal fairly with their suppliers.

Today's publication of the Government's <u>response</u> to its Call for Evidence on extending the remit of the Groceries Code Adjudicator is welcome and reinforces the Groceries Supply Code of Practice (GSCOP), a competition remedy that is working well for suppliers and shoppers.

The Government has resisted calls to extend the role of the GCA. This means the GCA can continue to focus on retailers' compliance with GSCOP where she has demonstrated her effectiveness for over four years.

The announcement that the Competition & Markets Authority (CMA) will formalise its approach to designating the retailers covered by GSCOP on an annual basis further strengthens the remedy. In a competitive, fast-changing market, this should help ensure that all large retailers of grocery products, now and in the future, deal fairly with their suppliers.

John Noble, Director of the British Brands Group, said, "GSCOP has proved effective in ensuring fair dealing in the grocery market and much of the credit goes to the Adjudicator. Today's announcement means she can continue to focus on what she does best, making sure GSCOP works effectively for suppliers and ultimately for shoppers."

ENDS

NOTES TO EDITORS

- The <u>Groceries Supply Code of Practice</u> came into force in 2010. It is a competition remedy introduced by the then Competition Commission to bring greater certainty to suppliers in their dealings with large retailers who were found to be transferring excessive risks and unexpected costs to them. Greater certainty allows suppliers to invest more confidently in quality, choice and new products which directly benefits shoppers.
- 2. A Groceries Code Adjudicator, Christine Tacon, was appointed in 2013 to monitor and enforce GSCOP.
- 3. The Government issued a <u>Call For Evidence</u> in October 2016 on whether the GCA's remit should be extended. Its response is published today.
- 4. The British Brands Group actively supports GSCOP and the work of the GCA for the fair dealing it brings to relationships between large retailers and their suppliers, with positive implications for investment by branded companies in innovation, quality and reputation from which individuals benefit directly.
- 5. The Group's support includes:
 - introductory and refresher <u>training courses</u> for all suppliers so they understand GSCOP and how to use it constructively and appropriately in their trading relationships;
 - A free online GSCOP Quiz to allow suppliers to test their knowledge;
 - A regular review of retailers' compliance with GSCOP.
- 6. The British Brands Group was founded in 1994 as a non-profit membership organisation. It speaks on behalf of brand manufacturers and seeks to deepen understanding of how brands benefit consumers, society and the economy through the provision of choice, value for money and innovation.

It represents its members collectively when commercial and regulatory issues affect the ability of brands to deliver value and to be a positive force in society. It also provides the prime forum for its members on brand-related issues.

The British Brands Group is part of a global network of similar brand associations, and represents AIM, the European Brands Association, in the UK.

For more information on the Group's work on GSCOP, contact:

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