

Berlin, 12.02.2007



**Panel discussion on the topic of “Price dumping”  
in Berlin’s “Red Town Hall”**

**A call for creative competition for quality  
in fresh foods**

The cut-price strategies of the big marketing chains are threatening the existence of small and medium-sized businesses such as specialist food stores and street market traders. The German government is therefore tightening the ban on the sale of food below the cost price of the merchandise.

This prompted the Association of German Wholesale Markets, GFI, to hold a panel discussion on the subject of “Price dumping – its effects on producers, the trade and consumers” in Berlin on Friday evening. Over 160 guests from industry, politics and the media accepted the GFI’s invitation and met in the “Wappensaal” room of the Red Town Hall to express their various opinions on the matter. The large proportion of participants from abroad showed the international significance of the topic. The event took place on the occasion of the leading international trade fair Fruit Logistica 2007.

In her welcome address Katrin Lompscher, senator for Health, the Environment and Consumer Protection of the city state of Berlin, expressed the hope that consumers would come to appreciate good quality again. Andreas Foidl, a member of the GFI’s committee, emphasized the high value of food and strongly criticised the irresponsible destruction of value-added.

The GFI was able to win well-known representatives of agriculture, the wholesale and retail trade, political circles and industry as panel members. In brief speeches they explained their position in respect of the government’s draft statute and subsequently answered questions from the audience.

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▶ Katrin Lompscher



▶ Andreas Foidl



Panel members:

- ▶ Eckhard Engert, Federal Ministry of Food, Agriculture and Consumer Protection
- ▶ Gerhard Schulz, Chairman of the Federal Committee on Fruit and Vegetables of the Farmers' Union (Deutscher Bauernverband)
- ▶ Otto Weihe, Managing Partner of the fruit and salad business Weihe Früchte & Salate KG, Berlin
- ▶ Wilfried Thal, Federal Chairman of the Street Markets Section of the BSM (Federal Union of Showmen and Market Traders) and Vice President of the Hamburg Association of Itinerant Traders and Showmen.
- ▶ Prof. Dr. Wolfgang Bokelmann, Head of the Agricultural Management and Marketing Section at the Faculty of Agriculture and Horticulture of the Humboldt University Berlin
- ▶ Dr. Carsten Oelrichs, Zenk Law Offices, Hamburg ; specialist for commercial and corporate law and the laws on foods, competition and brands.
- ▶ Uwe Kluge, Managing Director of Bremen Wholesale Market and Chairman of the Board of GFI

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The main question raised in the discussion, which was sometimes highly emotional, was how consumers' awareness of the value of food can be strengthened again. For in the long term price dumping has negative effects on industry, the trade and the consumer too. Recent food scandals show the lunacy of the "cut-price is cool" mentality.

You will shortly be able to read a detailed report on the event on the GFI's website at [www.grossmaerkte.org](http://www.grossmaerkte.org), or you can obtain it from the GFI office.

### **Background: Germany 's wholesale markets making a difference**

Represented by their association, GFI, German wholesale markets are supporting the Federal Government in efforts to take action against price dumping through new consumer or economic policies and laws. The GFI, as a professional association, was actively involved in the current process of drafting revisions to the law on monopolies (GWB). Nearly all the proposals for stricter regulations in the monopolies law were approved and have been included in the draft bill.

"Fresh action must be taken to ensure the protection of smaller food shops and street market traders and thus the preservation of small and medium business enterprises as an economic force. Often the special offer prices of the large food chains create a competitive disadvantage that threatens the very survival of the smaller enterprises," says GFI board member Andreas Foidl. "For quite some time we have noted with concern a deterioration in the range that organized food retailers offer their customers."

The variety and quality of products is disappearing because low prices are only viable where there is a limited range of standardized mass produce. The latest food scare scandals illustrate once again the dire consequences of cheap pricing strategies. "This vicious circle must be broken now," warns Foidl. "Fresh food is a matter of trust. But because food is so important it is being misused as a pricing tool."

### **GFI German Wholesale Markets**

GFI German Wholesale Markets was founded in 2000 and represents the interests of Germany 's 18 major wholesale markets. These fresh produce centres guarantee a wide variety of top quality fresh produce, especially fruit and vegetables. At these central, urban trading platforms around 2,600 small and medium sized wholesalers, importers and growers supply fresh produce from the region and all over the world to more than 53,000 customers in the specialist, independent food retail business such as greengrocer shops and street markets and to large-scale caterers and top restaurant chefs. Annual turnover of goods is around 7.4 million tonnes with a total value of roughly 9.8 billion euros. Germany's wholesale markets thus ensure the availability of good, nutritious food for around 100 million consumers in Germany and neighbouring European countries.