

# GFI comes down hard on 'price-dumping' strategies

Germany's wholesale market sector has been vociferous in its criticism of the country's retailers, who they claim are eroding quality and destroying the German consumer's appreciation of value-added products

**G**ERMAN wholesale markets association GFI has welcomed the news that Germany's federal government plans to tighten up a ban on selling food at below cost price as it seeks to restore an appreciation of the value of food among German consumers. GFI has been actively involved in the process of drafting revisions to the law on monopolies and nearly all of the organisation's proposals for stricter regulations in the monopolies law have been approved and included in a new draft bill.

Reinforcing its message, GFI held a panel discussion on 9 February entitled 'Price dumping – its effects on growers, sellers and consumers' in the Wappensaal room at Berlin's Rotes Rathaus. Timed to coincide with last month's Fruit Logistica, more than 160 delegates from industry, politics and the media attended the event, which attracted interest not only from Germany but from outside the country too.

In her welcome address Katrin Lompscher, Berlin's senator for Health, the Environment and Consumer Protection, expressed the hope that consumers would come to appreciate good quality again. GFI board member Andreas Foidl then emphasised the high value of food and strongly criticised the irresponsible destruction of the value-added sector.

"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," stated Mr Foidl. "Often the special offer prices of the large food chains create a competitive disadvantage that threatens the very survival of the smaller



GFI board members Andreas Foidl, chairman Uwe Kluge and Peter Joppa

enterprises. For quite some time we have noted with concern a deterioration in the range that organised food retailers offer their customers."

One of GFI's chief concerns is that the variety and quality of products is disappearing because low prices are only viable where there is a limited range of standardised mass produce. According to Mr Foidl, the latest food scare scandals illustrate once again the dire consequences of cheap pricing strategies. "This vicious circle must be broken now," he warned. "Fresh food is a matter of trust. But because food is so important it is being misused as a pricing tool." ■