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Tel (44) (0) 1285 656 999
Tel & Fax (1) (207) 439 5932

Email: aobh 28@aol.com

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Consumers and Distribution

It is hard to make valid generalisations about the relative interests and opinions of consumers in the United States and in the European Union respectively. In the Commission's view, however, European consumers do not yet appear to be as aware of the benefits [of competition policies] as are, for example, consumers in the United States. Consumer advocates in the U.S. have long recognised that competition policy is essential to advance consumer interests. "By contrast, all too often in Europe, the only voices being heard are those of producers (industry and trade unions): important voices, of course, but which cannot represent the whole picture in policy debates where key consumer interests are at stake."

Discussions took place recently between the Commission and representatives of the European Group of Consumers' Associations (known by its French acronym, BEUC), whose director Jim Murray expressed strong support for competition policy, saying it put power in the hands of consumers, where it belonged. On car distribution, a subject raised in the meeting, BEUC praised the Commission's recent proposals introducing more competition in the sector, in particular the introduction of multi-brand dealerships and the loosened link between sales and after-sales services, which bring more choice and competitive prices for consumers. But BEUC expressed concerns about the maintenance of exclusive distribution systems, saying that it would leave car manufacturers with too tight a control over dealers, thereby preventing effective price competition.

Consumers and Mergers

As to the European Union's policy on mergers, the Commission realised that its benefits might be less directly visible to consumers than those produced by the fight against cartels or the control of subsidies. But only an effective merger control policy could ensure that there were sufficient operators in the market, ensuring effective competition and low prices. This was the Commission's underlying goal when, for example, it made its approval of the merger between French oil companies TotalFina and Elf conditional on the sale of 70 petrol stations on French motorways to ensure that petrol prices would not go up as a result of the merger. The Commission claims that, as a result of its intervention, Carrefour entered the French motorways services market, immediately exerting a downward pressure on prices. ■

We inadvertently caused confusion by showing our last issue, Issue 3, as having been published in February. This should have been shown as March. Subscribers have not missed an issue. The error was on the cover, not the Comment page.