

LCQ16: Price surveys of Consumer Council

Following is a written reply by the Secretary for Commerce and Economic Development, Mr Frederick Ma, to a question by the Hon Emily Lau Wai-hing in the Legislative Council today (May 14):

Question:

The results of a price survey on food released for the first time by the Consumer Council ("CC") on April 15 this year have revealed that the prices of food sold at supermarket chains are generally higher than those sold at small grocery stores. CC has indicated that it plans to release information on the prices of goods sold at supermarkets and small grocery stores in certain districts on a bi-weekly basis, and extend the coverage of such surveys to include daily necessities in the future. In this connection, will the Executive Authorities inform this Council whether:

(a) they know the types of businesses and goods to be included in CC's regular price surveys;

(b) they know if CC has sufficient resources for conducting price surveys on a long-term basis; if not, whether the authorities will allocate additional resources to CC for undertaking the work in this regard; if so, of the details; if not, the reasons for that;

(c) any complaints had been received over the past three years from operators of small grocery stores alleging that they were unable to source goods at reasonable prices; if so, of the details of such complaints; and

(d) provisions will be made in the fair competition law being drafted to prevent supermarket chains from further throttling the room for survival of small business operators?

Reply:

Madam President,

(a) The survey conducted by the Consumer Council ("CC") covers various types of stores, including large supermarket chains, beauty products outlets, daily necessities outlets, frozen meat shops, groceries, dispensaries and convenience stores. Goods surveyed include more than 10 types of food products and daily necessities.

(b) Regular and annual price surveys are conducted by the Research Division of CC. From time to time, CC will deploy staff from various divisions to conduct price surveys, in order to monitor the price changes in various districts. If additional resources are required for any new tasks, the Government will actively consider allocating additional resources to CC.

(c) No such complaints have been received by CC over the past three years.

(d) In the Public Consultation Paper on Detailed Proposals for a Competition Law issued recently, the Government proposes introducing a law to prohibit anti-competitive conduct in two broad areas: participation in agreements and concerted practices that have the purpose or effect of substantially lessening competition; and abusing substantial market power. If it has reasonable cause to believe that the supermarkets have suppressed small business operators by means of anti-competitive conduct, the proposed Competition Commission would have the power to investigate such conduct, make a determination and apply remedies, including the imposition of financial penalties (the maximum penalty is 10% of total turnover during the period when the infringement occurred). In addition, any person who has suffered as a result of anti-competitive conduct could bring proceedings before the Competition Tribunal to seek damages.

Ends/Wednesday, May 14, 2008