

Today, the [UK government announced](#) that “supermarkets [are] to join forces to feed the nation”, as the coronavirus disease 2019 (COVID-19) outbreak continues to surge. Competition laws will be temporarily relaxed to allow retailers to collaborate during these uncertain times, so that shoppers can get the food they need.

In a statement today, the Secretary of State for Environment, Food and Rural Affairs, George Eustice, said, “We’ve listened to the powerful arguments of our leading supermarkets and will do whatever it takes to help them feed the nation.” In an earlier [blog](#), Eustice was reported to have engaged in conversation with plans to temporarily waive competition rules prohibiting industry collaboration during the COVID-19 outbreak.

By relaxing competition law, this would allow retailers to share data with each other on stock levels, co-operate to keep shops open, or share distribution depots and delivery vans. It would also allow retailers to pool staff with one another to help meet demand. This approach has been welcomed and the Director of Food & Sustainability at the British Retail Consortium, Andrew Opie, said, “this is a short-term measure, in the spirit of working together, and will allow retailers to agree common specifications for products to bolster food production, and co-ordinate certain operations to ensure customers anywhere in the UK have access to the essential items they need.”

However, it has been [reported](#) that the European Commission has written to retail lobby group, EuroCommerce, to ask for details on which regulators may be granting exemptions and what guidance the sector may need. Nonetheless, the European Commission stated that it is ready to provide informal guidance to companies that are unclear on what possibilities competition law already contains to help retailers through disturbances to the economy.

In the UK, a Coronavirus Bill has been introduced in Parliament, containing provisions allowing government powers to require supermarkets and food suppliers to provide it with information relating to food supply chains. The [explanatory notes](#) state that the UK government has agreed a “Data Sharing Protocol with food retailers to regularly gather information on a voluntary basis...to effectively support an industry-led response to any food supply disruption resulting from COVID-19”

In a separate announcement, the UK Competition and Markets Authority welcomed the temporary relaxation and offered the following reassurance, “The CMA has no intention of taking competition law enforcement action against cooperation between businesses or rationing of products to the extent that this is necessary to protect consumers – for example, by ensuring security of supplies.” Although, the CMA notes that it “will not tolerate unscrupulous businesses exploiting the crisis as a ‘cover’ for non-essential collusion. This includes exchanging information on longer-term pricing or business strategies, where this is not necessary to meet the needs of the current situation.”

Will the joining of forces by retailers be sufficient to overcome the problems arising out of the COVID-19 outbreak?

## Contact

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