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<p><b>MEDIA RELEASE</b></p>		
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<p><b>CCM PUBLISHES EVALUATION REPORT ON ITS FIRST INVESTIGATION, IBL CONSUMER GOODS SALES CONTRACTS WITH RETAIL STORES CASE</b></p>		

The Competition Commission of Mauritius (CCM) has today published an evaluation of its first monopoly abuse case, IBL Consumer Goods sales contracts with retail stores.

This evaluation was conducted internally by the CCM. The report finds that there has been a significant impact in the market for block processed cheddar cheese in Mauritius in terms of removing barriers to entry, thereby leading to new entrants in the market, a reduction in the price paid by consumers, and a higher sales volume, which altogether resulted in an increase in consumer surplus.

In September 2010, IBL was found to be in breach of the Competition Act 2007 in relation to, inter alia, the retroactive rebates that it was offering to retail stores in exchange for premium shelf space for its Kraft-branded products, including cheese, biscuits, chocolates and powdered juice. The Commissioners of the CCM directed IBL to, inter alia, cease the practice of offering such retroactive rebates.

The evaluation found that:

- IBL has discontinued with the practice of offering anticompetitive retroactive rebates in exchange for prominent shelf space.
- Two new brands namely, Bega and Melbourne have successfully penetrated the market with growing sales volume. The market has become more competitive with a lower concentration level, as measured by the HHI (in index of competition intensity ranging from 0 to 10,000, with 10,000 representing full monopoly) declining significantly from 8,200 in the year 2010 to between 4,000 – 5,000 by August 2011.
- Prices for block processed cheddar cheese 250g have fallen significantly in the post-CCM intervention period. Consumers are now paying on average around Rs 62.40 per unit compared to Rs 72.30 in early 2011, prior to new entry in the market of block processed cheddar cheese.

- Consumers have already realised savings on expenditure in the range of Rs 8m – Rs 39m over last 4-month May – August 2011 period. On an annual basis that would range between Rs 25m – Rs 117m. The expected benefits over a period of 6 years, assuming a 6% discount rate, would range between Rs 130m – Rs 600m.

Dr. Sean F. Ennis, Executive Director of the CCM said that “this research, the first assessment we have carried out, clearly demonstrates the impact of CCM’s interventions in promoting competition among businesses as well as improving the level of efficiency and widening consumer choice in the market it intervenes. The end result is the interest of consumers, who benefit from an increase in welfare and the economy from an improvement in efficiency, productivity and competitiveness.”

- Download the report [Evaluation of CCM Case: IBL Consumer Goods Sales Contracts with Retail Stores](#)

#### NOTES:

1. The Executive Director concluded in its Report that some contract terms linking discounts for Kraft Cheese to marketing activities for those goods have the effect of restricting, preventing or distorting competition, and thus breach the monopoly provisions of the Competition Act 2007. See the Executive Director’s Report:  
<http://www.gov.mu/portal/sites/ccm/pdf/Final%20Report%20-CCM-INV-001%20%20Kraft%20and%20General%20Rebates.pdf>
2. The Commissioners of the CCM found IBL to have infringed the Competition Act 2007 by offering such retroactive rebates. See Commissioner’s Decision:  
[http://www.gov.mu/portal/sites/ccm/pdf/INV001%20-%20Commissioners\\_Decision.pdf](http://www.gov.mu/portal/sites/ccm/pdf/INV001%20-%20Commissioners_Decision.pdf)