



SMALL BUSINESSES UNDER THREAT AFTER ACCC DOES NOT OPPOSE CONTROVERSIAL WOOLWORTHS DEAL

Hundreds of small businesses operating in the food distribution industry are under threat following the Australian Competition and Consumer Commission's (ACCC) decision to not oppose Woolworths' controversial acquisition of PFD Food Services (PFD).

The proposed acquisition has caused significant concern within the food distribution sector which typically involves small to medium businesses, many of which are family-owned and based in regional areas around Australia.

Richard Hinson, Chairman of Independent Food Distributors of Australia (IFDA), said Woolworths' acquisition of PFD had united small business who will be disadvantaged by the ACCC's decision to wave through the acquisition.

"While we acknowledge the ACCC's efforts in investigating this proposed acquisition, we are incredibly disappointed by the decision to allow Woolworths' to acquire PFD, one of the most significant players in the food distribution services sector," he said.

"Given its track record in other sectors, we know that Woolworths will inevitably misuse its increased market power and this will ultimately cost hundreds of jobs in the food distribution sectors, many of which will be in regional Australia."

The five industry organisations who opposed Woolworths' acquisition of PFD – the Australasian Association of Convenience Stores; the Australasian Convenience and Petroleum Marketers Association; COSBOA; IFDA; and the Master Grocers Association – said they will continue to fight for members by highlighting any anti-competitive behaviour from Woolworths.

"Every time another small business in our sector is forced to close; jobs have to be cut; suppliers have fewer distribution choices; or prices go up because of Woolworths' strongarm tactics, we will highlight it to the ACCC and other interested parties such as local members of Parliament," said MGA CEO Jos de Bruin.

"Based on retail giants' previous behaviour behaviour in other industries, we know that the damage to our sector because of this acquisition will be a matter of when, not if. It is more important than ever that we continue to work together and stand up for our members as they face yet another threat to their futures through no fault of their own."

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