

## **STATEMENT BY THE GSLP/LIBERAL OPPOSITION**

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The Opposition considers that Morrison's supermarket should behave more responsibly in the setting of its prices following the study published by the Federation of Small Businesses (GFSB) into prices charged in Gibraltar and prices charged at a Morrison's supermarket in Wales. It is totally unacceptable that compared prices should be up to 250% more expensive in Gibraltar.

The Opposition understands from the information that has been published that the GFSB compared prices on a list of 17 products at Morrison's supermarkets in Aberystwyth with the same products at the store in Gibraltar. The result was that 16 of the 17 products were more expensive in Gibraltar than they are in Wales as only sugar was 15% cheaper locally. The other products compared ranged from 21% to 250% more expensive in Gibraltar.

The widest price differential was the Morrison whole loaf of bread which cost 50p in Wales and £1.75 in Gibraltar, making the same product 250% more expensive over here. The next one was cherry tomatoes which cost 40p in the UK store and £1.09 in Gibraltar, a price differential of 172% more expensive. An iceberg lettuce which cost 50p in Aberystwyth cost 150% more at £1.25 in Gibraltar and a kilo of bananas which was priced at 84p per kilo over there cost £1.99 per kilo over here, which is 136% more.

The total cost of the shopping basket in Wales was £17.97 and in Gibraltar £28.09 for identical products. This means it cost £10.12 or 54% more expensive in Gibraltar.

Commenting on the matter, Shadow Minister responsible for Commercial Affairs Dr Joseph Garcia said:

"The GFSB have done Gibraltar a public service by having taken the time and trouble to compile the data. Many persons in the business community will know that such a large difference in price cannot be the result only of the freight and other costs involved in transporting the products to Gibraltar. The profit margin must be considerable as well. This is immoral coming at a time of economic uncertainty when many people are tightening their belts.

There is clearly a problem of lack of competition locally as there are no other stores of this size in Gibraltar. Whereas in the UK there is direct and almost cut-throat competition with other supermarket chains like Asda and Tesco, in Gibraltar itself there is no direct competition of this kind.

The view of the Opposition, based on the results of the survey, is that Morrison's should exercise restraint and lower its prices in Gibraltar to bring them more in line with those in comparable stores in the UK."

ENDS