

## **Oz supermarket chains profiteering in economic crisis**

by Alan Jones via fleet - 2GB Radio *Sunday, Feb 1 2009, 7:39pm*

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### **Woolworths' Profits**

The following report is an indictment of the ineffective Rudd government not an expose' of profiteering, monopolist supermarkets, whose track record of price hiking and unjustified mark-ups is well known.

Why have governments if they are unable to govern, we may well ask? The people can go without many luxury items but no one can go without food! STOP the RIPOFFS NOW!!!

INTERVENTION IS REQUIRED from our pathetic, compliant (to the corporations) politicians -- you reprehensible, vile, UNAUSTRALIAN, servile scum!



Well, it's beyond belief is it not, in this current economic climate, that we learned yesterday that Woolworths posted an 8.8 per cent increase in six monthly sales.

The chief executive called it a pleasing result, and their food and liquor division posted a 7.1 per cent rise for the quarter ended January 4.

And of course they also own Dick Smith Electronics, Dick Smith Powerhouse, Tandy, those sales were also up as well.

It's instructive to note Woolworths have 792 supermarkets and 250 bottle shops.

Now remember, this in a climate where the Go-Lo group last week, with 374 stores and an 810 million dollar annual turnover, was placed in administration.

This week the home entertainment, car radio and mobile phone retailer Strathfield Group was placed in voluntary administration.

The Colorado group, which operates 430 stores in Australia and New Zealand, including its flagship Colorado casual wear stores, Mathers, Williams the Shoeman, Diana Ferrari and Jag are in trouble.

And reports earlier this week that their Christmas sales were well below budget, so it's clear that Mr Rudd's 10 billion dollar stimulus package which was meant to increase retail sales at Christmas has been a failure.

The women's fashion retailer Noni B has forecast a halving of its first half profit.

The footwear chain Shoobiz is going to close 43 shops across Australia in the coming months.

Last week Gerry Harvey announced the closure of its Domayne store in Campbelltown and called Mr Rudd's 10 billion dollar stimulus a dud.

The point is this, the Bureau of Statistics recorded that during the December quarter, that's the months of October, November and December last year, Australia experienced the biggest quarterly drop in inflation in more than a decade.

So these businesses are in trouble because of significant falls in prices, or at best, marginal increases.

But ... food inflation has increased faster than any sector.

What's come second ... liquor.

And what is the common element between food and liquor?

The two retailers that dominate the food and liquor retail sectors, Woolworths and Coles.

How is it possible that food continues to surge in price?

Well, it's what I call the Woolworths factor.

Over the last decade, supermarket prices have increased faster in Australia than in any other country in the developed world.

And the apologists for Woolworths and Coles from Government down have rolled out every excuse under the sun, and blamed everything from droughts and floods to plagues of locusts and frogs for surging supermarket prices over the last decade, rather than admit that the problem is that the market is overly concentrated, with Woolworths and Coles occupying 80 per cent of the nation's supermarket shelves.

The excuse used last year by Woolworths was that there were increasing transport costs because of petrol, or international factors were responsible for driving up supermarket prices.

Well, there's been a big fall in the last quarter in transport costs.

And in the USA and the UK we're told that international factors are pushing supermarket prices down.

So how is it possible that yet again, supermarket prices are increasing in Australia.

It is the Woolworths factor,.

When will someone from Government pull their head out of the sand and admit that Australia has serious problems with competition in the grocery sector, the dominance of Woolworths and Coles is damaging the national economy and it's a threat to economic prosperity.

Where is the so-called Competition Minister, Christopher Bowen, who before the last election gave the impression that he would stand up to Woolworths and Coles and repair the Trade Practices Act.

Mr Rudd made the same promise, that he was going to tackle grocery prices.

Well, they're nowhere to be seen.

When the rest of the retail sector is in meltdown, the prices of food and liquor continue to buck the trend.

And Woolworths can report a big increase of cash through their tills.

There's only one conclusion.

Woolworths have exploited the collapse of competition and taken advantage of the stimulus package by yet again pumping up prices.

The loser: you the consumer.

It's a mystery to me that Australia hasn't yet woken up!

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***Really?***

<http://tinyurl.com/da7kwz>

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Cleaves Alternative News. <http://cleaves.lingama.net/news/story-1422.html>