



RELEASE

UPHOLDING MARKET INTEGRITY IN THE FOOD CHAIN SECTOR

Pursuant to Sections 17(a),(e),(g),(h),(l),(m),(s),(x),(v),18(3),123,124,127,129 and 130 of the Federal Competition and Consumer Protection Act, 2018 (FCCPA)

Friday, February 8, 2024: The Federal Competition and Consumer Protection Commission (Commission) has become aware of media reports indicating that the Honourable Federal High Court has ordered the Federal Government to fix the prices of certain food commodities.

This is an unusual practice in a free market. Although the Commission was not a party to the suit, it is taking all steps to obtain the judgement of the Court and make appropriate responses.

For clarity, it is imperative to underscore that the Commission is not mandated to regulate prices. However, in rare situations and pursuant to Part XI, and Section 88 of the Federal Competition and Consumer Protection Act (FCCPA), the Commission may advise the President to fix the prices of certain goods and services, based on empirical evidence.

The Commission understands the natural apprehension consumers and businesses are experiencing. It, therefore, notes and welcomes continuing engagements and progressive measures to contain price gouging throughout the food distribution chain.

The Commission is working with the Federal Ministry of Industry, Trade and Investment, other government agencies, consultants, and Civil Society Organisations (CSOs) to come up with measures to curb the excessive prices of commodities in the markets.

On July 18, 2023, the Commission and Consumers International co-hosted the Fair Food Pricing Multi-stakeholders Workshop for the purpose of gathering information and evidence on anticompetitive activities such as price gouging, price fixing and other cartel conduct that lead to unfair food pricing.

The Commission firmly believes that empirical data about the cause of unfair prices in the food sector must be the basis for any enforcement exercise. Accordingly, the Commission is by this release encouraging the public or anyone with useful information in the food chain industry, with respect to unlocking possible illegal, exclusionary or restrictive practices that contribute to unfair food prices to report same to the Commission, through its designated portal.

The Commission's priority remains to address key consumer protection and competition issues in the Food chain sector. The Commission's surveillance efforts suggest participants in the food chain and distribution sector including at the retail level are engaging in conspiracy, price gouging, hoarding and other unfair tactics/ strategies to restrict the supply of food, manipulate and inflate the price of food in an indiscriminate manner; this conduct violates both moral and legal codes. Taking advantage of consumer anxiety and vulnerability to inflate prices, and restrict or distort competition, is obnoxious, unscrupulous, exploitative and illegal.

Furthermore, the use of undue influence, imbalance in negotiating power, unfair tact and similar conduct in the marketing and supply of goods and services is contrary to Sections 17 and 124 of the FCCPA., and will be penalised under law.

Any business participating in activities contributing to price gouging in the food chain sector is hereby warned to desist forthwith or face the full force of the law. The Commission will not tolerate actions compromising the integrity of the food chain sector, and legal consequences will be swift and severe.

Dr.Adamu Abdullahi

Ag.Executive Vice Chairman/Chief Executive Officer