



Molly Scott Cato  
MEP for South West England and Gibraltar  
European Parliament  
Rue Wiertz  
Brussels

30<sup>th</sup> April 2018

Dear Chair of Competition and Markets Authority,

I am writing to draw to your attention the threat to competition from the proposed merger between Asda and Sainsbury's. As you know, the retail market in the UK is an [oligopoly with just four dominant players](#). This merger, if it goes ahead, will mean just two supermarket chains would hold a share of nearly 60% of the market.

The motivation for the merger is for Sainsbury's to increase its market share to 31.4% to enable it to out-strip the size of rival Tesco. This is entirely against the public interest and undermines the already limited competition in the sector.

The food retail market in the UK is characterised by increasing concentration which has had a negative impact on competition. As a small number of players have grown more powerful they have used their power to ruthlessly eliminate other players and to pressure producers. Data suggest that as much as 50% of the value of the supply chain accrues to retailers leaving those who produce our food - the farmers - struggling to remain viable.

I urge you to investigate this proposed merger as soon as Sainsbury's confirms they intend to go ahead.

I look forward to hearing your response

Yours sincerely

A handwritten signature in blue ink that reads "Molly Scott Cato". The signature is written in a cursive, flowing style.

Molly Scott Cato MEP