

President of the Commission for Protection of Competition Dr. Miloje Obradović underlined the importance of such inquiry from the competition perspective. “Imagine a situation in which you can only purchase bread, milk and other food products in one or several retail chains in your city, which regulate the supply and pricing. Under its mandate to fully implement the Law on Protection of Competition, the Commission seeks to prevent situations exactly like this one, and by securing equal conditions for all, enable that potential service users are provided with the possibility to choose, which leads to a reduction in prices and more qualitative products. And there lies the answer to the question why is important to know and monitor market activities; who are undertakings, how many are there, under which terms and conditions they operate and how do they behave”, Dr. Obradović point out.

Vladimir Čupić spoke about the challenges which are present in the retail sector in Serbia, noting that the Commission’s findings presented in the inquiry are encouraging, particularly concerning the fact that this market is not yet saturated, meaning that we can expect the arrival of new players and more increased competition.

State Secretary of the Ministry of Trade, Tourism and Telecommunications Vesna Kovač underlined that this inquiry represents a solid foundation for the planned work on a register of retailers, whose preparation is one of the priorities set by the Ministry.

The inquiry conducted by the Commission for Protection of Competition has encompassed, inter alia, retail development indexes, market structure, and for the first time ever, an overview of the most important retailers. The sector inquiry which included over 500 undertakings by way of a direct sampling method, based on the Business Registers Agency data, and over 1000 interviewed retailers in Serbia with more than 5.5 thousand stores, is prepared by the Commission for Protection of Competition relying solely on its own capacities, without outsourcing any institutes or consultants.

The inquiry-based results demonstrate that undertakings have not recognized any market barriers to entry, as would be expected given a greatly streamlined and accelerated company registration procedure, while identifying the following as sole market barriers: low purchasing power of the population in conjunction with the fact that shopping habits are hard to break in terms of preferences in making small purchases and in small retail stores, as well as lack of available construction land for building new retail facilities, said Aleksandra Ravić from the CPC Economic Analyses Division when presenting the results of the inquiry.

Based on the results presented, the largest retail market share based on the total sales revenue in Serbia have Delhaize (21%) and Mercator/IDEA, Mercator S, Roda (16%), while the remaining 8 individually hold less than 3.5%. The top 10 leading retail chain operators grosses 55% of the total retail turnover, while the remaining number of observed undertakings individually hold less than 1% of the market share. Serbian citizens on average spend 60,000 dinars annually in retail stores. When observed per number of issued fiscal receipts, the average purchase is just slightly over 450 dinars, and this amount has not fluctuated significantly during the observed period. Retail sales in Belgrade are higher than in the rest of Serbia by 25%, i.e. averaging at 600 dinars per fiscal receipt issued by retailers in Belgrade, relative to the average of 450 dinars for Serbia.