

Asda wants overseas suppliers excluded from fair trade code

Asda has asked the Competition Commission to exclude overseas suppliers from a code of conduct which aims to stop supermarkets using their buying power to impose unfair trading terms. Traidcraft responds.

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[Read the article about Asda here.](#)

Traidcraft's response

We are disappointed that Asda wants overseas suppliers excluded from a new code of practice designed to ensure that supermarkets do not use their buying power to impose unfair trading terms (Asda wants ethical code for UK suppliers only, 07 April 2008).

Traidcraft has conducted research in a number of developing countries which found that the impact of poor buying practices by UK retailers is keenly felt by smallholder suppliers overseas. For example, last minute changes to orders from here in the UK can result in lower incomes and longer hours for farmers and workers in Kenya. As a member of the Ethical Trading Initiative (ETI), Asda should be well aware of the impact of supermarket purchasing practices on smallholders and workers.

Asda's justification for excluding overseas suppliers is illogical. Of course, overseas suppliers may have other customers than Asda, but how many of them will have the buying power of the Asda/Walmart group, which alone accounts for 9% of global grocery sales?

With power comes responsibility. Rather than trying to weaken the new code, as a transnational operator and an ETI member, Asda should be supporting an effective code that can really work to improve relations between buyers and vulnerable suppliers wherever they are based.

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