

Spain supermarket chains cut gasoline prices, intensify price competition

Supermarket chains Alcampo and Bon Preu, along with the Norpetrol group, are taking on the oil companies in fuel retail by lowering gasoline prices, the Expansion newspaper reported on January 12.

Alcampo in particular is using especially low prices in a bid to help attract consumers which could then make other purchases inside the supermarket, the newspaper said.

The country's biggest oil companies, Repsol and Cepsa, so far appear reluctant to compete with the supermarkets by dropping their own gasoline prices, the newspaper said.

The situation is occurring in a context in which as of January 9 there were already three stations in all of Spain which had reduced prices to less than one Euro per liter.

The country's Industry Minister Jose Soria recently said it was unjustifiable that crude oil price declines were not being translated fast enough into lower gasoline prices, Expansion reported.