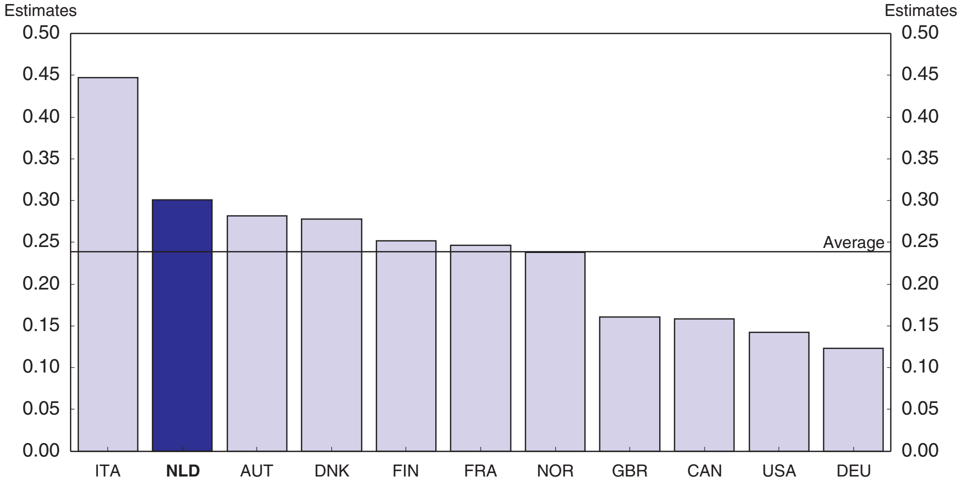
Figure 4.4. **Mark-ups in retail and wholesale in selected OECD countries**

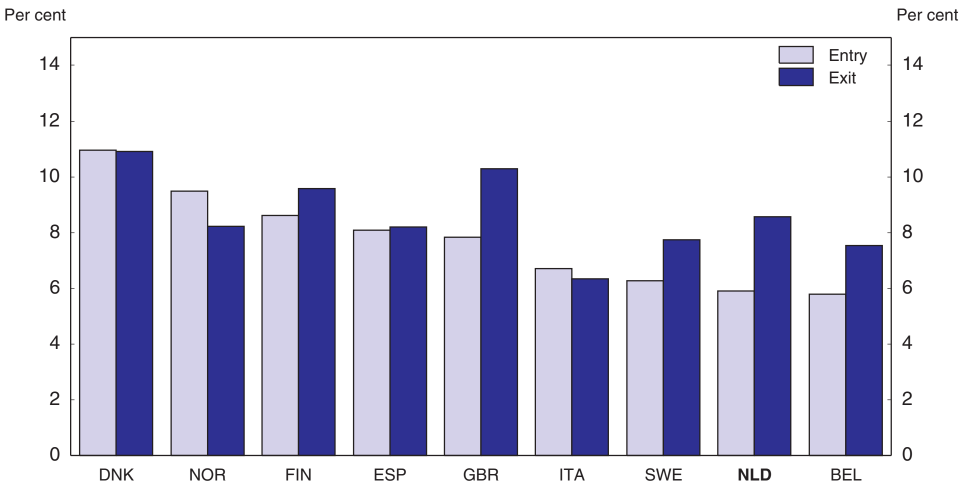
Average mark-ups 1975-2002




*Source:* OECD STAN database.

Figure 4.5. **Entry and exit rates in retail, selected OECD countries**

Number of entering/exiting firms as percentage of total, 1998-2000




*Source:* Eurostat.

The seeming contradiction between indicators of regulation and indicators of the intensity of competition might be due to strict planning and zoning regulations that are not fully reflected in the indicators of regulation in retail distribution. Zoning regulations increase the costs of building new stores and artificially inflate the value of old stores based on the land they occupy – making exit less likely. This might limit entry and, thereby, competition. In the Netherlands, land use policies are relevant for all store sizes – as opposed to France (above 300 $m^2$) and Germany (1 200 $m^2$) (The Conference Board, 2005) – and are mainly the responsibility of municipalities. The relatively low intensity of competition – as suggested by the high mark-ups, and below average entry and exit rates and – might indicate that land use policies of municipalities have been strict. Indeed, municipalities might have an incentive to favour local insiders.



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