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Tesco and Carrefour alliance sounds like a tough gig for suppliers

Small firms urged to think fondly of the chance to sell to a bigger customer should be sceptical

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Food retailing seems to have turned into a game of choose a partner, or as boardrooms would see it, an exercise in high-level manoeuvring. Here comes Tesco, using Nato-style language to unveil its "long-term, strategic alliance" with Carrefour of France, complete with three-year "operational framework" to guard against corporate secrets falling into the wrong hands. All it is really talking about is combining buying clout to demand lower prices from suppliers.

Grand strategic talk is in fashion in the age of Amazon. Retail executives talk of the industry evolving into a handful of global alliances, as happened with national airlines. Walmart is spending $16bn (£12bn) to buy the Indian e-commerce leader Flipkart.

In the UK, Sainsbury's will also enter the orbit of the US retailer if the Asda merger is approved by the Competition and Markets Authority. Out in China and south-east Asia, there's Alibaba, the local answer to Amazon. Meanwhile, Aldi and Lidl are already global players. The Tesco/Carrefour deal creates a new sphere of influence.

It is too soon to speculate about a formal merger between Tesco and Carrefour, but such a script is clearly possible if the buyers cohabit happily. Tesco was long ago forced to abandon its go-it-alone approach to global expansion after flopping in the US and China. Getting cosy with Carrefour, a company with which it competes only in eastern Europe, sounds safer from the point of view of shareholders.

The open question is who loses from the process of organising food sourcing into a handful of leading global chains. Big consumer goods companies such as Nestlé, Coca-Cola, Unilever and Kraft Heinz are the official targets, since they achieve 15%-plus profit margins while the supermarket trade gets by on about 3%, which is the nub of why Sainsbury's thinks it should be allowed to combine with Asda. Yet the share prices of big branded companies are not obviously trembling in fear of a retailers' revolt. The market thinks Unilever et al will be perfectly able to look after themselves if the fighting over prices turns rougher.

If so, the worries should be for small suppliers and providers of own-label products. Selling to a retailer that sees itself as a part of supranational alliance, created to find supply chain "efficiencies", sounds like a very tough gig for them. Tesco, like Sainsbury's and Asda, swears blind that local producers aren't in its sights and that small businesses should think fondly of the opportunities to sell to a bigger customer. Treat that claim with scepticism. Life has rarely worked out pleasantly for the little folk when the squeeze is on.

McDonnell has got his wish over Vedanta

Goodbye Vedanta Resources, you will not be missed. The Indian-owned mining company arrived on the London stock market in 2003, a low point in the City's rush to welcome all-comers and not ask too many tricky questions about corporate governance.

The early years were unproblematic since it was hard not to make good money in the boom years for commodity producers. For the past eight years, however, Vedanta has disappointed its minority shareholders, whose frustrations have not been eased by a tangled corporate structure. Aside from most of a copper mine in Zambia, the London-listed entity owns 50.1% of the Indian-listed Vedanta Ltd, causing endless quarrels over the fair allocation of debt and dividends.

Anil Agarwal, the Indian commodities billionaire whose family trust owns 66.5% of Vedanta Resources, is offering to buy out the minorities at 856p a share. The price looks superficially decent in the sense that it is 27.6% above Friday's close. On the other hand, the premium is only 13.6% if you take a three-month average.

The key event in that period was the killing by Indian police of 13 people protesting against the extension of a copper smelter in the Indian town of Tuticorin, which prompted Labour's John McDonnell to call for Vedanta to be delisted to "prevent further reputational damage to London's financial markets from this rogue corporation".

McDonnell has got his wish, although the timing is entirely dictated by Agarwal's desire to simplify the corporate structure. But the shadow chancellor is basically right in his analysis: Vedanta and London was always a poor mix.