

Retail and Wholesale need major investment for digital and sustainability transformation

In the first ever session in the EU Industry Days dedicated to the retail and wholesale ecosystem, EuroCommerce Director General, Christel Delberghe, shed light on the significant transformation underway in the sector and the need to help businesses embrace the digital and sustainability transition. She said:

“We need to make investment and retail and wholesale competitiveness a priority. Retailers and wholesalers are still struggling with a range of challenges 2 years after the first COVID outbreak, with continued restrictions and staff absences, inflation, labour shortage and supply chain disruption - at a time when the ecosystem is transforming significantly and rapidly with limited resources. This is why our sector requires a regulatory framework and other measures which can support this transformation. Despite being recognised as an essential ecosystem, we see national recovery plans providing little or no such support. We look forward to working with the Commission on creating a transition pathway and to co-create a framework that supports our eco-system’s transformation.”

Retail and wholesale encompasses 1 in 4 businesses, directly employs 26 million people and represents 10% of EU’s GDP. 99% of these businesses, covering a very diverse range of activity, are SMEs. The pandemic hit our ecosystem in different ways – some had to quickly adapt to surges in demand; others lost sales massively due to government restrictions; many are still in a critical situation. Operating typically at very low margins (food retailers earn no more than 1-3% net), the sector needs to invest to meet the challenges of digitalisation, sustainability and to equip its people to work in this new business environment. We see member states providing our sector with little or none of the recovery funds under the Next Generation EU. EuroCommerce has in the context of investing in people, also recently announced its commitment to launching a Pact for Skills for the ecosystem.

Our sector needs regulation which understands how it works and supports competitiveness and innovation. Retail and wholesale is uniquely exposed in both the volume and range of regulation it faces. Ill-crafted regulation can, with low margins, mean the difference between profit and losses.

The panel for the session, moderated by Giacomo Mattinò of the European Commission. includes Kristin Schreiber, Director DG GROW, Riikka Joukio of Kesko, Stephan Tromp from the German Retail Federation (HDE), Bertrand Tison of Decathlon and Else Groen of Independent Retail Europe who discuss issues such as digitalisation of SMEs, changing business models, making business operations more sustainable and the important role of young people. In our Pact for Commerce released last year, we called on the Commission to undertake a number of supportive measures. [See here](#). Christel Delberghe added:

“Our sector provides a range of social and economic goods – as a major employer and stepping stone for young people to a rewarding career, as a driving force in sustainability and innovation and a keystone of local communities, and it serves multiple other ecosystems, the European economy, and not least, consumers. We need policy support in being able to continue this important role.”

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 28 countries and 5 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale is the link between producers and consumers. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.