

Barriers to the single market undermine EU recovery and supply chains

The European Parliament voted yesterday on its own-initiative report on tackling non-tariff barriers in the single market. EuroCommerce Director General Christel Delberghe said:

“With the 30th anniversary of the Maastricht Treaty and of the 1992 target date of completing the single market this year, we very much support the many excellent proposals in the Parliament report on non-tariff barriers. We particularly welcome the report raising the problem of territorial supply constraints, the restrictions imposed by global brand manufacturers which cost Europe’s consumers upwards of €14 billion a year. We ask the Commission to take immediate action to address these, and to tackle the worrying trend of member states introducing further barriers since the COVID pandemic.”

European competitiveness both globally and at home can only be achieved, and recovery driven, by ensuring a single market that works for all actors and consumers. As Commissioner Breton has also underlined in discussing the Commission ideas on a Single Market Emergency Instrument, the single market is also vital to maintaining reliable supply chains. The Commission has focused on better enforcement of single market rules, and we look forward to seeing the SMET enforcement task force acting decisively to deal with national barriers and the failure of member states to notify new measures under the Transparency and Services Directives.

A Commission report last year underlined the effect of persistent territorial supply constraints (TSCs) imposed by the largest brand manufacturers of grocery products which prevent retailers and wholesalers from sourcing on a European basis or choosing where to buy. These can take various forms such as refusing to supply except through their national distributor or threatening to stop supplying a particular distributor, limiting the quantities available for sale, inexplicable differences in product ranges and prices between Member States, or limiting language options for product packaging, as seen in the AB InBev case. The Commission is currently also investigating restrictions on European sourcing and distribution by Mondelez and Pierre Cardin. According to the Commission study on TSCs, these restrictions cost European consumers at least €14bn a year.

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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.