

Industrial strategy, competition and the single market must work together for recovery

Commenting today on the publication of the Commission's updated Industrial Strategy, EuroCommerce Director-General Christian Verschuere said:

"We strongly support the new focus on essential ecosystems, including retail, in the updated Industrial Strategy. Retail and wholesale play a vital role in the European economy and the functioning of numerous other ecosystems. We need support in the digital and green transition to help drive the post-COVID recovery, and for wholesalers to be recognised as an important part of numerous ecosystems. The strategy also needs to be firmly linked to a competitive, single European market which serves consumers, as a basis for building resilience and competing internationally."

The strategy represents an important framework for recovery in which we can be a central force. We provide employment to 29 million Europeans, (10 million in wholesale), and are an anchor for local communities. Private consumption makes up 50% of EU GDP, and our sector is closely connected to, and feeds numerous other ecosystems. More mapping of how ecosystems interact, and how the strategy can build on these links is needed, and in this analysis, for wholesalers to be recognised as playing an important role in the EU economy and the supply chain, connecting suppliers and business customers across numerous ecosystems.

The strategy's strong emphasis on the single market is absolutely right. Covid has demonstrated the critical role that the single market plays in ensuring resilient supply-chain, and providing a strong market base for companies to compete globally. The Commission's welcome commitment to tackling short-sighted national protectionism needs to be acted on quickly, also in fully applying the Services Directive and enforcing the free movement of goods. In this context, it is important to remember that services are also an industry, and represent over 70% of EU's GDP. They and manufacturing depend on each other, and are increasingly difficult to distinguish.

The single market cannot be separated from ensuring that strong competition remains the norm, even when seeking to support European autonomy in certain areas. Competition at home is vital to being competitive globally, and ensuring that both business customers and consumers continue to have a wide choice of innovative and affordable products and services. The Commission communication on tackling unfair foreign subsidies will, applied proportionately, also help secure Europe's position in the global market.

We need the strategy to provide the right framework to support our ecosystem fully embracing digital and sustainability. More than 2 in 3 retailers had no online operation before COVID, and the pandemic showed just how important omnichannel was for many companies' survival, in particular, but not only, SME retailers and wholesalers. Going online is costly and takes time to become even marginally profitable. There is also a need for legislation to provide a level playing field to help strengthen the sector in a digital environment. We are committed to helping address the challenges of sustainability, and the strategy and relevant legislation must work together to provide the right market incentives and infrastructure to ensure that the EU meets its sustainability targets, and to allow e.g., plastics and textiles to be reused and remanufactured.

You can see the priorities for recovery in our Pact for Commerce [here](#) and how our sector was affected by COVID [here](#).

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 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.