

## **Retail and wholesale seriously concerned at energy crisis and needs support**

Retailers and wholesalers provide an essential service to consumers and business customers, and are significant users of energy in heating, refrigeration and logistics, all of which run 24 hours a day, 7 days a week. We ask policy makers to urgently classify the sector as high energy-consuming and thus allow companies struggling with spiralling energy prices to access state aid support:

- our sector largely fulfils the criteria of 3% of production value for being recognised as high energy consuming sector, as set down in EU legislation;
- high fragmentation in the sector (5 million companies) makes it more difficult to benefit from economies of scale when negotiating with energy providers;
- our sector operates on the basis of high turnover and low margins; this makes individual companies particularly vulnerable in current circumstances;
- the sector works hard to keep prices for consumers within bounds; if left to weather this storm without help, these costs will feed through to customers already struggling with energy price rises and inflation across the board.

We therefore **call on the Commission and member states to use the energy toolbox and state aid rules to provide urgent support to help keep the costs for consumers within reasonable bounds**. In this context, we ask EU and/or national policy makers:

### **In the immediate term to**

- give retail and wholesale, as a high energy-consuming sector, access to support under the temporary framework for state aid for high energy costs and exploit possibilities offered by art 17 of the energy taxation directive in favour of intensive users when conditions are fulfilled
- use all possibilities provided under the energy taxation directive to reduce taxes on energy products
- allow member states to change current energy price mechanisms to contain the level of those prices
- suspend planned tax or new limits to CO2 emissions to avoid further pressure on energy prices.
- support consumers' ability to pay their energy bills e.g., via tax reductions on energy and VAT on sales of (at least) food to mitigate inflation for consumers
- reduce and eliminate additional levies and taxes on energy while the inflation crisis lasts.

### **In the medium term to**

- support investment in reducing energy use in our sector e.g., improving energy efficiency of buildings
- support in investing to accelerate the sector's use of, and contribution to the production of alternative sustainable fuels for buildings and logistics e.g., via solar panels.

Retail and wholesale are an essential eco-system serving consumers and supporting many other sectors and the wider economy. It is the largest European private-sector employer and makes an important contribution to the continued life of local communities. To continue to do so, the sector needs support to invest in the current digital, sustainability and skills transformation and, urgently today, in the energy transition.

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**Contact:**

**Christel Delberghe - +32 736 06 40 - [delberghe@eurocommerce.eu](mailto:delberghe@eurocommerce.eu)**

**[www.eurocommerce.eu](http://www.eurocommerce.eu)**

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