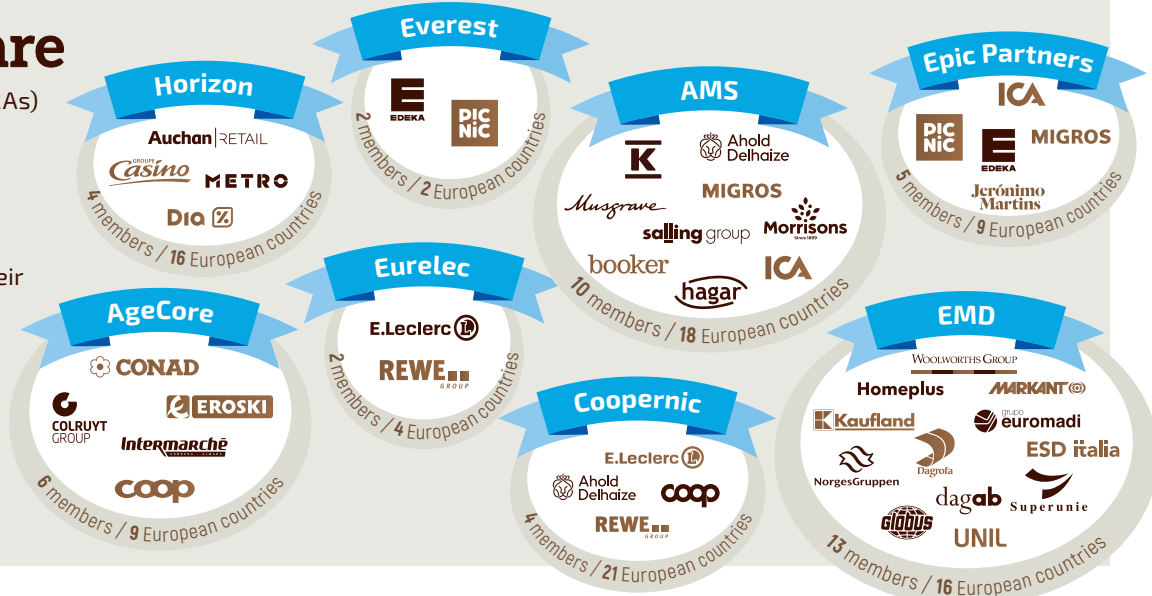


Explaining EUROPEAN RETAIL ALLIANCES (ERAs)

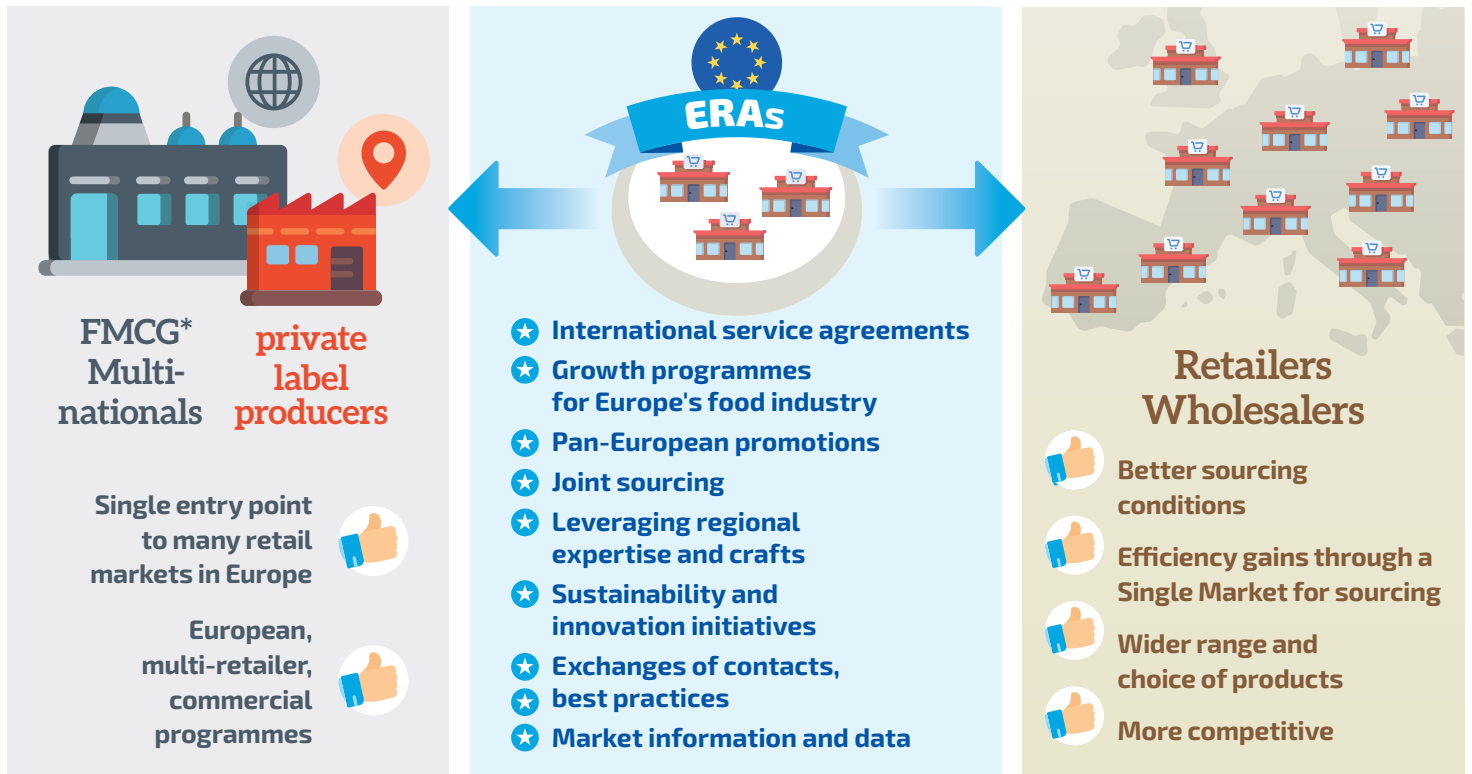
What they are

European Retail Alliances (ERAs) are enterprises which

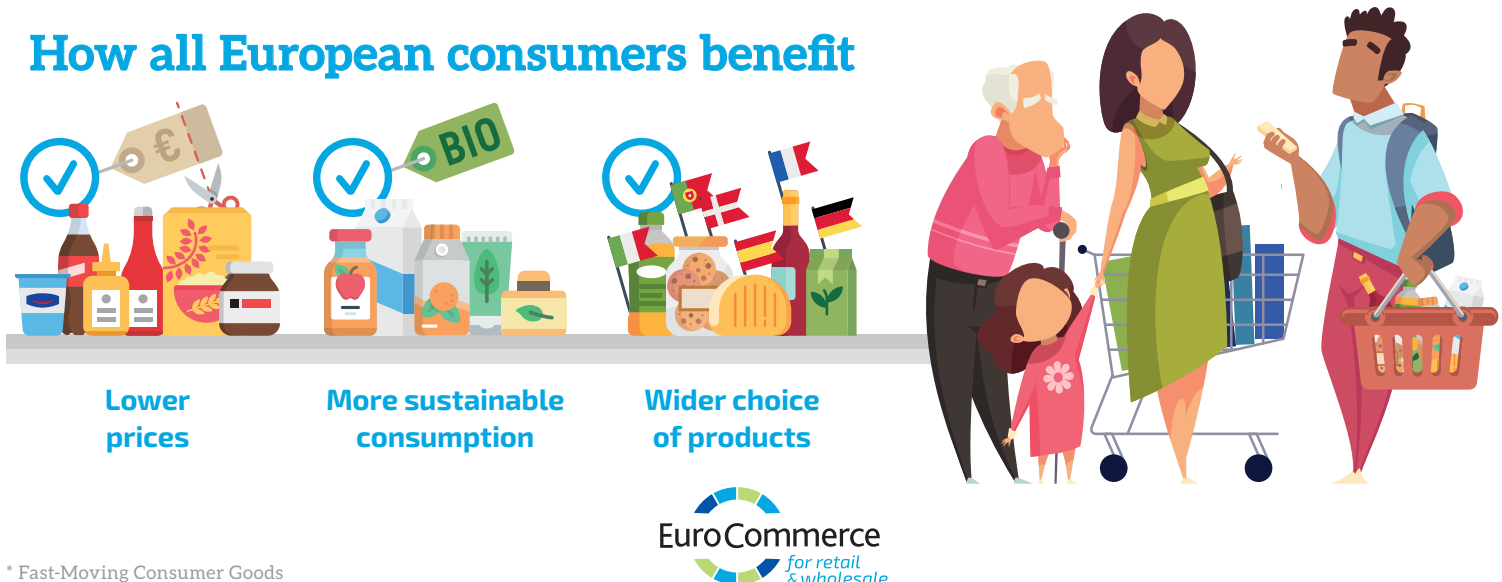
- Bring together retailers and wholesalers
- Help them negotiate better sourcing conditions with their international suppliers
- Are diverse in terms of members, geography, activities
- Comply with strict EU and national competition rules
- Exist in other industries



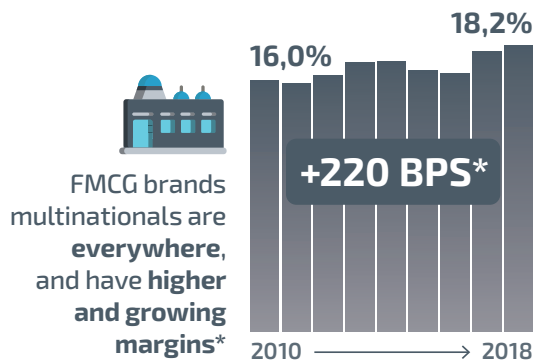
What they do



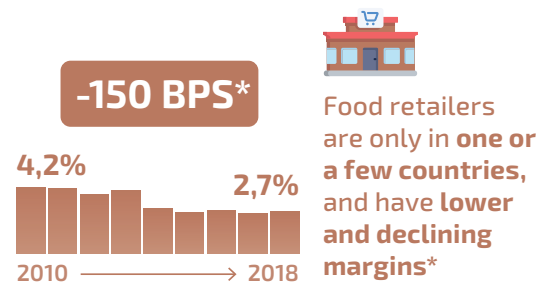
How all European consumers benefit



* Fast-Moving Consumer Goods



ERAs
re-balance
economic
power



**Towards
a European
Single Market
for sourcing**



FMCG brands multinationals often fragment the single market by imposing **territorial supply constraints**:

- ★ **Restrict** the circulation of products across countries
- ★ **Set** high price differences between countries

Without territorial supply constraints, and with a Single Market for sourcing, retailers could:

- ★ **Source** on a European basis
- ★ **Benefit** from better, pan-European, conditions
- ★ **Transfer** products across countries
- ★ **Access** a fuller range of products

ERAs do not deal with farmers

Individual farmers sell their produce to cooperatives, food manufacturing and service companies, traders, wholesalers, and, only locally, to retailers and restaurants.

Processing

Export

Food service

Sourced only at local level, not through ERAs

Retailers

*net margins (EBIT as a percentage of sales)
BPS = basis points (1 basis point=0,01%)
Source: Bernstein Research, OC&C, 2019