

European retail and wholesale press for urgent support in energy crisis

As the EU energy ministers come together for an informal meeting today, the EuroCommerce Board of Directors issued a common call for urgent action to support retail and wholesale during the ongoing economic crisis facing the sector. EuroCommerce President Juan Manuel Morales said:

“In our Board meeting this week, we discussed the massive challenges for our sector in dealing with spiralling energy costs and inflation. We have heard from many members in our sector that the situation is no longer sustainable. If no urgent action is taken to address the cost of energy, a large and growing number of retail and wholesale companies are at real risk, and Europe faces shopping areas being denuded of their stores.”

European retail and wholesale need a European solution to current energy prices, and that as a matter of urgency. The sector consumes considerable amounts of energy (in the range of 220-240 Tw/h per year), with very low-profit margins (typically 1-3% in foods). This makes retail and wholesale businesses particularly vulnerable to the rising cost of energy, which they have difficulty passing on to already hard-hit consumers. It is showing leadership in adopting measures to save energy and reduce its dependence on fossil fuels. The continuous need for the sector to provide an essential service means that businesses cannot stop or curtail their activities while waiting for energy prices to come down.

The **retail and wholesale sector has worked hard to protect consumers**, acting responsibly throughout the crisis. Businesses have done their utmost to absorb the inflationary pressures, they and consumers face as much as they are able. This has meant that consumer prices have increased less than producer and import prices. But with energy prices making up 40% of inflation and still rising, and many supply chains being disrupted, they will have no choice but to pass on these extra costs to consumers unless action is taken at EU and national level to ease the burden on the sector.

A concerning **and growing number of companies are at risk if no immediate action on the cost of energy is taken**. Many stores were hit by the COVID pandemic and consequent lockdowns, and we can already see a **high risk of ‘de-storisation’** to our shopping streets if nothing is done. The retail and wholesale sector is the largest private sector employer with a presence in every community across Europe. The effect will be felt in local communities and the wider impact on the overall economy is immeasurable: the sector serves businesses across a wide range of ecosystems who rely on them to get their products onto the market. This is a significant risk at a time of low growth, high inflation and low consumer confidence.

The retail and wholesale sector has major potential to accelerate further the energy transition, but needs support, and urgently.

Contact:

Daniela Haiduc – +32 473 56 29 36 – haiduc@eurocommerce.eu

Neil McMillan – +32 479 40 22 41 – mcmillan@eurocommerce.eu

www.eurocommerce.eu

.....
EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. 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.