

Making the Single Market work for everyone

EuroCommerce today [launched a campaign](#) calling on decision-makers to address the fragmentation of the Single Market by large consumer goods manufacturers who restrict the freedom of retailers to source the best deal across Europe and artificially raise prices for consumers. Speaking at the Czech Presidency conference on the 30th anniversary of the Single Market in Prague today, EuroCommerce Director General Christel Delberghe said:

“It is high time for the EU to take decisive action to ensure we can offer consumers the best price and the choice they want at a time when they see prices rising. Large consumer goods manufacturers fragment the Single Market for their retail and wholesale customers. This is costing European consumers €14 billion. Next year the Single Market will be 30 years old and we want a functioning Single Market for everyone.”

Large consumer goods manufacturers benefit from the Single Market by concentrating production in a few sites to deliver their products across Europe and sourcing ingredients where they see fit. However, they require retailers and wholesalers to only buy from their national distributor (mostly a subsidiary of the brand) at a price which they set for each market. This occurs even if the cost of producing the item is broadly the same for each market. They usually slightly adapt the labelling, ingredients or packaging, or restrict access to part of the product range for certain countries to achieve this.

This means consumers in certain countries are often charged more or have access to fewer products. The European Commission report estimated that these market restrictions are costing European consumer at least €14 billion. Those retailers who seek to operate more efficiently by sourcing centrally or in another market may find their supplies curtailed or stopped completely.

With high inflation and consumer purchasing power being hit hard by rising prices for everyday products and energy, EuroCommerce wants the Single Market to work for everyone. The retail and wholesale sector operates on low margins (typically 1-3% net for food retail) in a highly competitive environment; this means that any savings derived from a proper single market for sourcing would be passed on to consumers. On the other hand, large consumer goods manufacturers enjoy high margins (typically 15-30% net) and maintain those margins by setting prices for each market across Europe separately.

More information about the EuroCommerce campaign [here](#). #SingleMarket4All

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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.