

Long-Term View on Competitiveness: A potential win-win for the EU, retail and wholesale – but only with the right support

The retail and wholesale sector contributes 10% of the EU's GDP and it is Europe's first private employer, providing jobs to 26 million Europeans and is present in every community in the EU. As such, it deserves recognition and support for its role as an innovator and partner for growth-enhancing investments. These benefits extend well beyond the essential service it provides in bringing choice and innovation to EU consumers and businesses, incorporating value-adding technological advances in sustainability, digitalisation and skills.

Commenting on the potential for retail and wholesale to be the EU's partner of choice, EuroCommerce Director General, Christel Delberghe noted: "Retailers and wholesalers can add maximum value to Europe's future competitiveness. Many are already making significant investments in supporting the energy transition and have the potential to do much more in partnership with public authorities and research institutions. The potential for the retail and wholesale sector to develop new business models, built around the principle of circularity, is obvious and it's already happening. Even if you look no further than renting, refurbishing, upcycling and selling secondhand products, the huge potential of retail and wholesale sector is clear."

The Commission's Communication is a further step that complements the importance EuroCommerce attaches to the <u>renewed commitment and enforcement of the Single Market</u>. On its 30th anniversary, <u>retail</u> and wholesale CEOs have underlined the critical importance of the Single Market as the springboard for boosting Europe's global competitiveness. For this to be a success, it needs the conclusion of trade agreements with key partners, support for EuroCommerce's commitment to <u>developing the skills of its</u> workforce, and regulation supportive of our sector's transformation. Together, these elements can give the EU's businesses greater advantages and a leading edge as global competition increases.

On the role of better regulation in improving competitiveness, Christel Delberghe added: "Every day retailers and wholesalers offer a wide variety of products to their customers. This exposes them to multiple types of national and EU legislation that add layer upon layer of crushing compliance burdens to their operations. As reporting requirements have grown, more efforts are now diverted towards tackling administrative burdens, leaving scarce resources to invest in the sustainability and digital transformation of their businesses. There needs to be greater level of ambition in reducing cumulative regulatory burden and reporting requirements."

While EuroCommerce welcomes the new approach to legislation, the Commission must take a more proactive role, considering the practicability of proposed legislation, ensuring consistency and stopping the damage done by proposals arising in the co-legislative procedure in the absence of a reality check, sectoral knowledge or proper impact assessment. These can have negative and costly implications for both business and consumers¹ and hold back retailers and wholesalers who could otherwise be driving the transition towards sustainability and digitalisation.

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¹For example: <u>Joint Statement: Businesses reject the rash extension of the withdrawal button to all distance contracts</u> through rushed negotiations

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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.