

## **EuroCommerce president addresses Tripartite Social Summit**

Addressing participants of the Tripartite Social Summit yesterday afternoon, Juan Manuel Morales, President of EuroCommerce, the European association representing retailers and wholesalers, highlighted:

“We are a sector in the middle of a massive talent, sustainability and digital transformation which is fully aligned with the EU’s ambitions.

Our transformation will leverage Europe’s strategic vision. For us to deliver this transition and to invest, we call for your support to:

1. **Ensure higher quality, practical, coherent legislation**, based on a sound understanding of our sector and that avoids unreasonable costs. As an example, the Commission’s proposal to tackle late payments will restrict our flexibility and capacity to invest. Drastically reducing payment terms creates a massive financial gap. It will be a huge problem for large companies. But even worse, it will harm the millions of SMEs that contribute to our local communities.
2. **Foster and strengthen a supportive Single Market and resilient global supply chains.** The Single Market makes us stronger. It helps us bring more choice and affordable prices to consumers. We also need access to global trade.
3. **Promote collaboration.** With our value chain partners, with consumers, through the Strategic Dialogue on Agriculture, and with our trade union partners.

### **Background**

The [Tripartite Social Summit](#) was part of the cross-industry dialogue and was designed to provide a continual exchange between social partners and the EU institutions to ensure that social partners contribute to the EU’s economic and social strategy.

The Tripartite Social Summit was co-chaired by the President of the European Council and the President of the European Commission. It was attended by EU leaders.

Retail and wholesale brings together 5 million businesses; that is one in five businesses and one in four SMEs in Europe. The sector provides an essential service to consumers and business customers across Europe. It is the first private employer, providing 26 million jobs to Europeans and plays a key role in maintaining attractive city centres, supporting local communities and offering local jobs.

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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.*

EuroCommerce stands by a culture of prompt payment. The recent draft regulation to prevent late payment proposes bringing down payment terms to 30 days in all business-to-business transactions for all sectors and of all sizes. This withdraws essential flexibility in contract negotiations and ignores wholesalers' desire to give this to their business customers. Aligning payment terms for retail alone leaves a financial gap estimated at about €150 billion. This would fundamentally change the way retailers and wholesalers work and would make it more difficult to offer choices at affordable prices.

The knock-on effect will negatively impact retail and wholesale competitiveness and the essential services that they provide to customers and businesses across the EU. Effectively addressing the real problem of late payment requires a proportionate solution. The societal impact of the proposed regulation will dramatically change the flexibility to negotiate payment terms. Its impact will be felt across the EU and adequate time to properly examine the proposal, even going back to the drawing board, if necessary, is needed to find the right solution.



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