

Turn words into action, make the Single Market work for all !

The Competitiveness Council adopted its Single Market conclusions today, based on the High-Level Report on the Future of the Single Market by Enrico Letta. European retailers and wholesalers welcome the conclusions but call for words to be matched with strong action on the Single Market, to stop their competitiveness being held back by unjustified or disproportionate barriers, slow infringement proceedings and political interference.

Christel Delberghe, Director General of EuroCommerce – the organisation representing European retailers and wholesalers – commented: *“It is now for the EU institutions to show real commitment to further Single Market integration! In practice, there is no real appetite to enforce the Single Market in Europe. New EU rules often [fragment the market](#) by allowing national divergence and effective and efficient enforcement is lacking. International brand manufacturers or national legislation fragment the Single Market for sourcing for retailers and wholesalers. All this holds back the investment necessary for our sector’s digital, sustainability and skills transformation and undermines our competitiveness including vis-à-vis third-country operators.”*

Retailers and wholesalers have made several recommendations on [priorities for the Single Market](#) and identified three key proposals where action will make a real difference:

1. Creating a level playing in Europe for retail and wholesale - improve cross-border enforcement coordination and collaboration to ensure third-country players are also scrutinised.
2. Making a realistic plan to address and reduce the high regulatory burden and fragmentation in retail and wholesale, taking stock of the barriers that are arising in national legislation.
3. Prohibiting [territorial supply constraints](#) by international brands - they lead to higher prices and less choice for consumers.

A strong Single Market underpins the competitiveness of European retailers and wholesalers of all sizes and business models. Ensuring the words of the Letta report result in action, and taking today’s steer by the Council, should be the impetus for the EU institutions making the Single Market the real focus for the future. With such momentum, retailers and wholesalers have the chance to be stronger, more competitive and resilient, stresses EuroCommerce.

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Notes to the editor

Background details:

1. Creating a level playing field in Europe for retail

In the past few years, competition from third-country traders and B2C marketplaces targeting EU-based consumers has increased. These third-country players are gaining significant market share in many Member States and non-food product categories. However, part of the success of these third-country players is based on ignoring EU rules. This results in unfair competition that undermines a healthy and competitive online EU retail sector and harms consumers' rights and safety.

The Commission and member states must improve cross-border enforcement coordination and collaboration to ensure all retailers targeting EU-based consumers comply with relevant legislation.

2. Making a realistic action plan to address the high regulatory burden and fragmentation in retail and wholesale.

The Letta report and the Commission's 2023 Single Market communication both point to a lack of focus on the retail sector as an issue. Letta states, that *"Particular attention should be focused on the retail sector, where there is little political will to further integration and localised protectionism obstructs market entry, inhibits competition and therefore harms new potential producers and consumers alike. A meticulous examination of regulatory environments and the rigorous application of proportionality assessments are crucial to eradicate undue restrictions in this domain."*

To maintain a diverse and vibrant retail and wholesale sector, EU institutions need to develop a realistic agenda to reduce and simplify the high regulatory burden on retail and wholesale. This needs to take stock of the barriers that are arising in national legislation, fragmenting the Single Market, while there is far too little appetite – often driven by politics – in tackling these barriers with the tools that exist.

Encroachments on the freedom to source in the Single Market continue to arise and a challenge to the [French Loi Decrozaillies](#) remains pending with the Commission. Allowing fragmentation through the back door by permitting extra-territorial effect of rules that go beyond the common standard agreed by the Member States, and endorsing this through announcements of proposals to enable [cross-border enforcement of unfair trading practice rules](#), need to end if we want a Single Market to work for all.

3. Prohibiting territorial supply constraints by international brands that lead to higher prices for consumers.

Large consumer goods manufacturers are preventing retailers and wholesalers from sourcing products where they wish in the Single Market. Their use of restrictions known as Territorial Supply Constraints (TSCs), stops retailers being able to get the best deal for consumers that could help bring down prices. The cost to consumers is more than €14 billion annually, while many remain affected by the cost-of-living crisis following recent spikes in inflation and the high price of energy.

A few days ago, Greece [joined](#) a growing list of EU countries asking the Commission to act to end this use of territorial supply constraints by large manufacturers. Yesterday, the Commission fined [Mondelez €337 million for its illegal actions deliberately fragmenting the Single Market](#).

EuroCommerce asks the Commission to tackle these territorial supply constraints that discriminate against retailers and wholesalers based on their place of establishment.

You can find further information on territorial supply constraints here: [It's high time for the Single Market to benefit all - EuroCommerce](#)

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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.