

Single Market Strategy 2025: encouraging first step; EU institutions commitment is key

As the Commission published its Single Market Strategy 2025, EuroCommerce - the European retail and wholesale association - sees it as a first step to tackling core problems but admits that it requires stronger conviction and ambition.

Christel Delberghe, EuroCommerce Director General, said: "The EU Single Market is Europe's strongest asset. The Commission's Single Market Strategy addresses relevant issues and topics that are top of mind, such as Territorial Supply Constraints. However, many barriers remain that the retail and wholesale sector has been struggling with for years now."

The association wholeheartedly supports the Commission's announced actions on improving the Single Market for waste, improving coordination of market surveillances authorities' actions, pushing to harmonise digital labelling rules and advance the rollout of the Digital Product Passport, as well as introducing a Single Market barriers prevention act and proportionality guidance on national retail regulations.

However, retailers and wholesalers regret the missed opportunity to clearly promise legislation to eliminate Territorial Supply Constraints. With rising living costs, inaction means consumers will continue to pay an <u>estimated €14 billion</u> more each year. Retailers and wholesalers welcome that the issue is included in the list of the 'Terrible Ten' for the Single Market but believe the only way to put an end to these practices is to propose Single Market legislation. They call on the Commission to do so in 2026.

Retailers also miss a clear and strong link to the work of many Commission services that have important Single Market dimensions in their policies e.g. DG JUST, AGRI, SANTE, ENVI, EMPL, TAXUD. They need the same level of commitment to further deepening and strengthening the Single Market across the whole European Commission.

EuroCommerce was hoping for strong and bold ideas to improve enforcement of EU legislation on third country organisations and the enforceability and quality of EU law, as well as the introduction of a reality check for new rules looking at the global competitive environment for businesses.

"Over-regulation stops companies from using the EU's best asset, the Single Market. Rules need to be fit for purpose from the start. Strengthening the SME test should remove the necessity of offering concessions to small mid-caps", highlights Delberghe. EuroCommerce represents 1 in 4 SMEs in Europe.

Most importantly, EuroCommerce is looking for concrete actions where Member States clearly and publicly commit themselves to deepen and strengthen the Single Market at EU and national level, and refrain from introducing new and unnecessary national rules. Most barriers are created due to exemptions or minimum harmonisation obtained in EU law, and the many national rules that are introduced – in 2024 alone 755 draft measures were notified to TRIS.¹ Leaving national rules that break Single Market freedoms <u>unchallenged</u> undermines the legal certainty that companies need to fully realise the advantages of the Single Market. When this happens, its effect is to return to national sourcing – something <u>Enrico Letta</u> warned would ultimately affect the benefits that consumers derive from the Single Market.

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- <u>30th anniversary of the Single Market</u>
- Response to call for evidence "Single Market Strategy 2025" EuroCommerce
- Digital Product Passport Universe EuroCommerce

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 28 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 businesses 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.

¹ <u>Notifications in the field of technical regulations (TRIS) and services (IMI) | Single Market and Competitiveness</u> <u>Scoreboard</u>