

## **Retail vital to European Recovery, but needs help – investments and the right policies**

Speaking today at a virtual conference held by the World Retail Congress, EuroCommerce Director-General Christian Verschueren set out the challenges facing retail across Europe and the vital role of the sector in supporting European economic recovery:

*“Retail has been affected in different ways during the pandemic, but the whole ecosystem will see major change resulting from it. We will see a number of well-known retailers close their doors for ever, with fashion retail particularly hard hit, and others cutting the number of shops and staff they presently have. The pandemic also accelerated the trend towards online sales, and consumers, now used to e-commerce, will use this channel more in future. Private consumption makes up some 60% of EU GDP, and if retail is in trouble, so will the rest of the economy be. Equally, with help in speeding up its already active engagement with digital innovation and sustainability, the retail and wholesale ecosystem can be a powerful driver for getting Europe back on its feet again”.*

During the height of the pandemic, food and grocery retailers faced a sudden upsurge in demand for daily essentials, while suppliers and logistics companies were either closed or struggled to keep up. Retailers who stayed open also incurred significant costs to keep staff and customers safe and find alternative sources where there was disruption. Employees in the sector went on working hard to ensure consumers were able to get the essential products they needed, and we pay tribute to their dedication and immense hard work in keeping the supply chain working to everyone’s benefit.

Non-food retailers were either closed by public order or suffered up to 90% drops in footfall and sales due to public health measures. Wholesalers supplying a largely closed catering and hospitality industry saw their sales fall away to nearly nothing.

Retail and wholesale was recognised by the European Commission as an essential ecosystem in driving European recovery, among those hardest hit by the crisis, and a clear priority in national recovery programmes seeking funding under the Next Generation EU recovery measures and EU budget. Retailers and wholesalers provide industry direct access to consumers, valuable intelligence about what they are buying, efficient distribution and professional expertise and services. This can make the difference between a manufacturer succeeding or failing with a new or existing product.

Employing 29 million Europeans, and thus an important revenue source for families in the local area, the sector is also a keystone in keeping rural communities and urban centres an attractive place to live and work. Verschueren added:

*“Without shops, communities fade away. Hence the need to ensure that national recovery plans help retailers and wholesalers, particularly SMEs, who make up 99% of our sector, step up their efforts to go digital, their already major efforts to make their operations sustainable across the board, and support to develop the skills of their workforce to meet these new challenges.”*

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**Contact:**

Neil McMillan - +32 2 737 05 99 - [mcmillan@eurocommerce.eu](mailto:mcmillan@eurocommerce.eu)

Vincent Yhuello - +32 2 738 06 48 - [yhuello@eurocommerce.eu](mailto:yhuello@eurocommerce.eu)

[www.eurocommerce.eu](http://www.eurocommerce.eu)

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*EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 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.*