

Non-tariff barriers fragment single market and harm consumers

The European Parliament’s Internal Market and Consumers Committee (IMCO) has adopted an own-initiative report by Kosma Złotowski MEP on tackling non-tariff barriers in the single market. EuroCommerce Director General Christel Delberghe said:

“Our ecosystem relies on the single market to provide our customers what they need at an affordable price. This own-initiative report contains some excellent proposals which we support, including an annual report on non-tariff barriers. We strongly encourage the plenary to fully endorse the report when voting in December. In particular, the report helpfully underlines that more needs to be done to enforce single market rules and roll back a trend which was apparent during the COVID pandemic of introducing new national barriers. We particularly welcome the report raising the problem of territorial supply constraints, the restrictions imposed by global brand manufacturers and which cost Europe’s consumers upwards of €14 billion a year, and ask the Commission to take immediate action to address these.”

Retail and wholesale operates in a highly competitive environment. European competitiveness both globally and at home can only be achieved by ensuring a single market that works for all actors and consumers. We have seen many governments, particularly in Central and Eastern Europe, regularly introduce protectionist and discriminatory laws, which violate the freedom of establishment and the free movement of goods. The Commission has focused on better enforcement of single market rules, and we look forward to seeing the SMET enforcement task force acting decisively to deal with national barriers and the failure of member states to notify new measures under the Transparency and Services Directives. In services, the Commission’s mapping of barriers shows they are increasing in retail and wholesale. On this basis, we call upon the Commission carefully to examine whether national authorisation procedures are proportionate and non-discriminatory.

A Commission report last year underlined the effect of persistent territorial supply constraints (TSCs) imposed by the largest brand manufacturers of grocery products which prevent retailers and wholesalers from sourcing on a European basis or choosing where to buy. These can take various forms such as refusing to supply except through their national distributor or threatening to stop supplying a particular distributor, limiting the quantities available for sale, inexplicable differences in product ranges and prices between Member States, or limiting language options for product packaging, as seen in the AB InBev case. According to the study, these restrictions would cost European consumers at least €14bn a year.

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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, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale is the link between producers and consumers. 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.