

Competition – even more important today for EU recovery and tackling inflation

The European Parliament has adopted today its [report on competition policy](#). The report highlights the key role competition policy plays in a properly functioning Single Market, which is of particular importance to European consumers and the economy in view of the damage from the COVID pandemic, the current inflationary crisis and the Russian invasion of Ukraine.

Christel Delberghe Director General of EuroCommerce, which represents the retail and wholesale sector in Europe, commented:

“I am pleased to see the Parliament call for a stop to practices fragmenting the Single Market, such as territorial supply constraints and abuse of selective distribution systems. Tackling them and other abuses that can potentially lead to higher prices and less choice for consumers is particularly important at a time when consumers are struggling with a spiralling cost of living. Practices that restrict the freedom of retailers to source products in the single market such as territorial supply constraints, come at a cost estimated by the European Commission, to consumers of €14bn each year.”

The retail and wholesale sector operates in a highly competitive environment and at low margins to provide an essential service to consumers. It needs the Single Market and competition policy to provide customers with what they need at a reasonable price.

Mrs Delberghe added: *“We also welcome the support for temporary state aid flexibility that would give businesses much-needed help in weathering rising energy and commodity costs and supporting investments in the digital, sustainability and skills transition of our sector”.*

Europe’s global competitiveness can only be built on strong competition at home. Bolstering competition in the Single Market can also help offset the current high inflation. EuroCommerce is pleased to see the European Parliament come out clearly against conduct which fragments the Single Market. The association has already asked the Commission and national competition authorities to enforce the forthcoming rules on vertical relationships (VBER) to prevent unintended negative effects from the abuse, or the cumulative effect, of vertical restrictions such as selective distribution systems and dual pricing.

The competition policy report also asks the European Commission to look at retail alliances. The [2020 Joint Research Centre study ‘Retail alliances in the agricultural and food supply chain’](#) clearly identified the many pro-competitive effects of alliances and the need to base the assessment of any anticompetitive effect on the circumstances of each case. In March, [the Commission draft Horizontal Guidelines](#) acknowledged that different types of buying alliances across many business sectors could bring benefits to consumers through their negotiations with major manufacturers of the most sought-after products they purchase regularly. This reflects in EuroCommerce’s view the reality of the market in challenging times.

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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.