

European retail action plan for the benefit of all actors

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Cornelis de JONG (GUE/NGL, NL) on the European Retail Action Plan for the benefit of all actors.

The importance of the retail market: recalling the importance of the retail market and given that it represents 11% of EU GDP and delivers more than 15 % of all jobs in Europe, Members welcomed the setting-up by the Commission of a European Retail Action Plan. They did, however, state that the Action Plan should have paid **more attention to the effects of the current economic crisis on retail** and, in particular, on smaller, independent shops.

The report called on the Commission and the Member States to give the **highest political prominence to the retail sector as a pillar of the Single Market**, including the Digital Single Market, and to lift regulatory, administrative and practical obstacles hampering the start-up of businesses. According to Members, retail market legislation should be evidence-based, taking into account the needs of the sector.

The retail sector in the current economic crisis: the report urged Member States not to take measures in the context of austerity policies which undermine consumer confidence and directly harm the interests of the retail sector, such as increasing VAT, reclassifying products and product rates or raising charges for shops. It reiterated the importance of improving access to finance, in particular for retail and wholesale trade SMEs.

Supporting independent retailers: Members encouraged local and regional authorities to promote actions aimed at facilitating equal access and creating a level playing field for the independent retailer, in full respect of free and fair competition, such as:

- the encouragement of the **'adopt-a-shop'** principle by which larger retailers act as 'mentors' to smaller shops in the same locality, in particular for new market entrants;
- the promotion of **groups of independent retailers, including co-operatives**, which benefit from mutual assistance and certain economies of scale, whilst retaining their full independence and;
- respect for the right of local and regional authorities to **stimulate a climate favourable to small, independent shops**, which are typically established in town centres, by lowering energy rates – including for signs illuminated by night – and rents via public-private partnerships, and by introducing business rate discounts on local charges for small businesses and independent retailers.

E-commerce: the report noted that rapid development of e-commerce has delivered significant benefits for consumers and businesses in terms of innovation, new market opportunities and growth, etc. It encouraged retailers, in view of the social and cultural role of retail, to make the **most of innovative technologies** and to develop new business models for their on-line customer base. The Commission is called upon to propose a strategy to prevent traders from adopting discriminatory policies in their e-commerce practices, thereby ensuring that all European citizens have unfettered access to cross-border online trade.

Payment systems: Members welcomed the Commission proposal on **Multi-Lateral Interchange Fees (MIF)** and stressed the importance of removing card scheme rules which reinforce the anticompetitive

effects of the MIF. They urged the Commission to support Member States that already have transparent, competitive and innovative payment systems and to use them as best practices in further developing a cheaper and fairer payments market in Europe.

Consumers: the report welcomed the Commission's intention to develop instruments to facilitate consumer access to transparent, easily understandable, comparable, and reliable information on the prices, quality and sustainability of goods and services. It encouraged the Commission to set up an easily accessible **database** containing all EU and national labelling requirements.

Sustainability: Members highlighted the retail sector's responsibility concerning sustainability. They welcomed the fact that retailers and suppliers have been at the forefront of green responsibility, particularly regarding waste, energy consumption, transport and CO2 reduction. Voluntary initiatives and commitments have been taken by some retailers and suppliers to reduce food waste.

The report also called on the importance of the proper implementation of existing social and labour legislation. It called for equal treatment for commercial operators in the internal market in order to combat undeclared work and tax and social fraud.

Unfair trading practices: voluntary initiatives, which already exist in some Member States and are currently also being developed at EU-level by the High Level Forum for a Better Functioning Food Supply Chain, are to be welcomed. The Commission and business federations are invited, in this connection, to pursue a constructive and cross-sectoral dialogue in the existing fora, also including the annual **Retail Market Roundtable** organised by the Committee on the Internal Market and Consumer Protection, as the institutional forum aimed at keeping retail high on the EU political agenda.