

European retail action plan for the benefit of all actors

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The European Parliament adopted a resolution on the European Retail Action Plan for the benefit of all actors, following the Commission's communication on the same subject.

The importance of the retail market: Parliament welcomed the Commission's Action Plan and recalled the importance of the retail market and given that it represented 11% of EU GDP and delivered more than 15 % of all jobs in Europe. It 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**.

Members 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.

The retail sector in the current economic crisis: the resolution urged Member States not to take measures in the context of austerity policies which would **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.

With the aim of ensuring better governance, it called on the Commission to operate a **zero-tolerance policy** towards those Member States which fail to properly apply internal market rules and to do so, where appropriate, by means of infringement procedures and by speeding up those procedures using a fast-track approach.

Supporting independent retailers: Parliament 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.

Parliament recalled that while a **concentration of shops outside city centres** can be convenient for some consumers, it can also have negative environmental effects and can be a challenge for other consumers, in particular for older people, people with reduced mobility. It therefore called for a **balanced approach**, taking into account the fact that in many regions the saturation point has already been reached.

Members also stressed the importance of **proper enforcement of the Services Directive**. They urged Member States to remove barriers to free movement and to open up their markets in order to stimulate competitiveness and promote diversity among shops.

E-commerce: in the context of the rapid development of e-commerce, the resolution encouraged retailers to make the most of **innovative technologies** and to develop new business models for their on-line customer base. The Commission was 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: Parliament 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: Parliament 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 (UTPs): 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, were to be welcomed. Parliament should urgently resolve pending issues relating to its participation in the work of the Forum.

As regards the **weaker market players**, Parliament suggested the possibility of the appointment of an ombudsman or adjudicator who could submit complaints about UTPs on their behalf. They called on the Commission to ensure the **right of small suppliers to set up groups of producers** without being penalised by national competition authorities, which have assessed the importance of these groups based on national production alone.

Lastly, Members welcomed the Commission's intention to create a permanent Group on Retail Competitiveness, and underlined its support for the **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.