

Resolution on the creation of a European Capital of Local Trade

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The European Parliament adopted a resolution on the creation of a European Capital of Local Trade.

Retail is a very important ecosystem in the EU economy, accounting for 11.5 % of EU value added and directly employing more than 29 million people. Small and medium-sized enterprises (SMEs), including family-run business, are the backbone of Europe's economy accounting for 99 % of all businesses in the EU and employ around 100 million people. Moreover, retail SMEs are crucial for urban and rural local communities, form part of the social fabric and contribute directly to maintaining town and city centres as vibrant areas where services to cover citizens' needs are provided a short distance from their home.

However, the retail ecosystem and notably SMEs have been affected by an unprecedented shock to the world economy. Therefore, strengthening local trade could help address these consequences.

Policy support

The resolution calls on the Commission to:

- develop the proposal to create of a **European Capital of Local Trade and Retail** and to present a specific programme on this issue and ensure that support programmes deliver concrete proposals on resources and **budget implications** that will contribute directly to challenges faced by local retail sector;
- propose a Union action entitled 'European Capital of Local Trade and Retail', whose objective should be to highlight the vital role that local retail plays in significantly supporting social cohesion, in promoting and protecting the uniqueness and diversity of European towns, cities and regions and in helping local businesses with the challenges generated by unfair competition;
- form a **selection panel** every year which is to be composed of various stakeholders, such as representatives of SMEs, local trade associations, civic organisations, young entrepreneurs, local representatives, MEPs and members of the Committee of the Regions;
- promote the hosting every year by a European town or city of a year of conferences, workshops and initiatives on, for example, how to digitalise trade, how to boost technological innovation in local retail, how to contribute to protecting the environment, how to increase its cultural trends or how to optimise communication and engagement with consumers;
- launch a **dedicated EU communication campaign** on retail trade through an 'EU local trade' brand aiming to promote EU local trade and encouraging citizens to participate in the retail sector, both as consumers and suppliers;
- fully use the Single Market Programme to provide support to local businesses, in particular SMEs, with the aim of boosting their competitiveness and sustainability.

For their part, Member States are called on to adopt measures for **revitalising, modernising and adapting business models** in the small retail sector, including family-run business, so that public authorities can help small retailers embrace technological and digital changes.

Financial support

Parliament calls on the Commission and the Member States to ensure the viability of the sector at a particularly complex time and to put in place the **additional funds and aid** needed for the survival of retail trade in the EU. Member States are encouraged to promote fiscal incentives for small traders who choose to settle in sparsely populated areas in order to use this tool to combat the demographic challenge in the EU.