

Procedure file

Basic information		
INI - Own-initiative procedure	2013/2093(INI)	Procedure completed
European retail action plan for the benefit of all actors		
Subject		
2.10 Free movement of goods		
2.40.01 Right of establishment		
2.60.01 Trade restrictions, concerted practices, dominant positions		
3.30.25 International information networks and society, internet		
3.40.17 Manufactured goods		
3.45 Enterprise policy, inter-company cooperation		
4.60.02 Consumer information, advertising, labelling		
4.60.06 Consumers' economic and legal interests		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	IMCO Internal Market and Consumer Protection	Shadow rapporteur	
		PPE CORAZZA BILDT Anna Maria	
		S&D IRIGOYEN PÉREZ María	
		ALDE LØKKEGAARD Morten	
		Verts/ALE RÜHLE Heide	
		ECR HARBOUR Malcolm	
		EFD SALVINI Matteo	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs		17/04/2013	
	PPE CASA David		
JURI Legal Affairs	The committee decided not to give an opinion.		
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.		
ITRE Industry, Research and Energy	The committee decided not to give an opinion.		
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union	BARNIER Michel	

Key events			
31/01/2013	Non-legislative basic document published	COM(2013)0036	Summary
10/06/2013	Committee referral announced in Parliament		
05/11/2013	Vote in committee		
13/11/2013	Committee report tabled for plenary	A7-0374/2013	Summary

11/12/2013	Results of vote in Parliament		
11/12/2013	Decision by Parliament	T7-0580/2013	Summary
11/12/2013	End of procedure in Parliament		

Technical information

Procedure reference	2013/2093(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/7/12760

Documentation gateway

Non-legislative basic document		COM(2013)0036	31/01/2013	EC	Summary
Committee draft report		PE516.620	17/07/2013	EP	
Amendments tabled in committee		PE519.470	11/09/2013	EP	
Committee opinion	EMPL	PE516.719	17/10/2013	EP	
Committee report tabled for plenary, single reading		A7-0374/2013	14/11/2013	EP	Summary
Text adopted by Parliament, single reading		T7-0580/2013	11/12/2013	EP	Summary
Commission response to text adopted in plenary		SP(2014)260	06/05/2014	EC	

European retail action plan for the benefit of all actors

PURPOSE: to set up a European Retail Action Plan.

BACKGROUND: Retail and wholesale services, also known as distributive trades, represent 11% of the EUs GDP and account for almost 15% of the EUs total employment. More than 6 million companies, i.e., 29% of all EU undertakings, are active in this sector. The retail sector is characterised by a very high share of SMEs, particularly micro companies (more than 95%).

The retail and wholesale sectors have an essential role to play in stimulating growth and job creation under the Europe 2020 strategy: they are among the key sectors that can drive the transition to both a more sustainable economy and consumption patterns. Efficiency in this sector has implications for competition, innovation, price trends and competitiveness. However, certain obstacles still prevent the achievement of an efficient and competitive single retail market.

The bottlenecks identified in the retail sector, which often cut across various policy areas, need to be addressed through a coherent plan to enhance the sector's economic, social and environmental performance, and to ensure that it fully contributes to the goals of the Europe 2020 Strategy.

Two major challenges exist in the EU retail sector:

1. restrictions on establishment and, more generally, lack of competitiveness in the retail sector, in particular in some Member States, and
2. a need to lower barriers and reduce operational restrictions.

This Action Plan aims at addressing these key obstacles by setting out a strategy to improve the competitiveness of the retail sector and enhance the sectors economic, environmental and social performance.

CONTENT: the main aim of the Action Plan is to propose a strategy for achieving a well-functioning Single Market in Retail, thereby contributing to the EUs territorial and social cohesion - through improved access to more sustainable and competitive retail services.

Addressing the key bottlenecks in achieving the Single Market in Retail has the potential to

bring benefits to all the actors concerned, and to the environment:

- Consumers: improved access to quality retail services and products, more competitive prices and better information on quality and prices, as well as on the environmental characteristics of products, would enhance consumer choice within both bricks and mortar and e-commerce retail formats.
- Businesses: retailers and their suppliers, especially SMEs, would benefit tangibly from the Single Market through the development of a more predictable legal environment, enabling them to deliver even greater value throughout the supply chain. Similarly, by addressing unfairness in the supply chain, upstream and downstream players would enjoy more sustainable relationships and would be encouraged to increase both innovation and investment. Further development of e-commerce will benefit retailers by providing them with more opportunities to find new markets.
- Employees: the retail sector should benefit from more qualified staff and improved working conditions, leading to higher job satisfaction. Improving employee training would also help provide better job opportunities, especially for the young and less qualified.

The Action Plan comprises 11 concrete actions, forming a coherent, holistic European strategy:

- consumer empowerment: the Commission intends to give consumers more of a voice by:

1. developing, through dialogue with stakeholders, good-practice guidelines and/or codes of conduct to facilitate consumer access to transparent and reliable information, making it easier to compare prices, quality and sustainability of goods and services. In particular, the inclusion of cross-border offers by comparison websites is important for consumers to be able to take full advantage of the Single Market;
2. proposing European methodologies for measuring and communicating the overall environmental footprint of products and organisations.

- access to more competitive retail services: the aim is to strengthen freedom of establishment in the retail sector and encourage e-commerce as a means of underpinning the retail sector. In this context:

1. Member States must remove all remaining instances of non-compliance with unequivocal obligations under the Services Directive concerning access to, and exercise of, retail activities, including eliminating economic needs tests within the meaning of Article 14(5) of the Services Directive. The Commission will apply its zero-tolerance policy through infringement procedures, where appropriate;
2. the Commission will: (a) launch a performance check in the retail sector to explore how commercial and spatial planning rules and plans are applied on the ground by the competent authorities where a potential service provider wishes to set up a small, medium or large retail outlet; (b) through exchange of best practices, provide for greater clarity regarding the proper balance between freedom of establishment, spatial/commercial planning, and environmental and social protection.

- developing a more balanced business-to-business food and non-food supply chain: the aim is to encourage distribution channels and to combat unfair trading practices (UTPs):

1. the Commission will adopt a Green Paper detailing the common features of UTPs in the B2B food and non-food supply chain and open a consultation the results of which will be available by late spring 2013. The results of the consultation will feed into an impact assessment of the different options identified to address the issue at EU level.

- developing a more sustainable retail supply chain: by reducing food and packaging waste and making the supply chains more sustainable:

1. the Commission will support retailers to implement actions to reduce food waste without compromising food safety (awareness raising, communication, facilitating of redistribution to food banks, etc.) e.g., through the Retail Agreement on Waste; and work on developing a long-term policy on food waste, including a Communication on Sustainable Food to be adopted in 2013;
2. through dialogue with stakeholders, the Commission will define best practices to make supply chains more environmentally-friendly and sustainable and minimise the energy consumption of retail outlets. The Commission will encourage retailers in the context of existing fora to apply these best practices.

- developing more innovative solutions, in particular with regard to product labelling and electronic payments:

1. the Commission will launch a retail innovation initiative in 2013 whereby the Commission, with the help of high-level experts, will explore how to ensure that the retail sector can contribute to, and benefit from, innovative products, services and technologies. On that basis, the Commission will design concrete actions focused on boosting retail competitiveness, such as bringing research results to the market faster, integrating the e-commerce and brick-and-mortar environments, new ways of informing consumers about products, the development of innovation-friendly regulations and standards, etc.;
2. the Commission will examine the feasibility of setting up a dedicated database containing all EU and domestic food labelling rules and providing a simple way to identify labelling requirements per product;
3. the Commission will take measures to ensure better market integration for card, internet and mobile payments through: (a) revision of the Payment Services Directive; (b) an enhanced governance model for retail payment services; and, (c) a legislative proposal on multi-lateral interchange fees for payment cards.

- creating a better working environment: the proposed measures aim at the improved utilisation of available skills, in particular in SMEs, given the high share of self-employed in the retail sector:

1. the Commission will strengthen cooperation with social partners to create conditions that make it possible to match skills with labour market needs in the retail sector, particularly by identifying and anticipating skills needs through an EU Sectoral Skills Council, and by improving retailers' training and reskilling policies.

Conclusion: the 11 concrete actions set out in this Action Plan should be implemented by 2014 in order to achieve a Single Market in Retail. It is essential that this Action Plan be executed in parallel with other initiatives, in particular those concerning the full implementation of the Services Directive, the E-Commerce Action Plan, and the on-going initiatives in the payments field.

The Commission will monitor developments and report on the progress in implementing this Action Plan by issuing a report in 2015. This monitoring will be done on the basis of the ongoing discussions within the EU institutions, with Member States, and with representatives of the retail sector and other relevant stakeholders through the Group on Retail Competitiveness.

European retail action plan for the benefit of all actors

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.

European retail action plan for the benefit of all actors

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 Commissions 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 sectors 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 Commissions 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.