



European
Commission

Possible outlook for a sustainable Single Market for retail

**A holistic approach
that benefits
businesses and
consumers**

Independent Retail Europe Conference,
Stockholm, 9-10 October 2019

Overview

- *Take-aways from the Retail Conference 19 June 2019*
- *New Commission's political guidelines*
- *Where is retail in it?*
- *Retail unit's focus – state of play October 2019*
- *Enforcement and recent developments*
- *A holistic approach*

Take-aways

Panel 1: Innovation in retail

Recipe boxes

Circular economy

Sustainable design

Data and digital advertising

- Digitalisation
 - Sustainability (environment and social)
 - M-commerce
 - Digital services
 - new store experiences to customers
 - partnerships with data analytics
- retail shops need to combine an online and offline presence
- clarity of the regulatory framework and a level playing field between online and offline retail are necessary

Take aways

Panel 2: One year after the Retail Communication – Stock-taking

- dialogue with Member States based on Communication and RRI, the European Semester reports
 - reluctance of Member States to change the regulatory environment
 - new OECD Product Market Regulation (PMR) indicator: a diverse level of regulation for retail across the EU and a very high level of restrictiveness in some MS due to the accumulation of different specific restrictions
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- Member States' central and local authorities, as well as the European Commission need to help the sector to adapt to changes
 - room for improvement and reforms

Take aways

Panel 3: EU retail – What's next? Regulatory changes and responses

- recent regulatory and policy developments
 - strengthening of the Single Market and counteracting its fragmentation
 - stronger enforcement
 - ensuring a level playing field for all businesses in the omni-channel retail reality taking into account global competition and promoting sustainability
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- future work on geoblocking and platforms
 - need to address the issue of territorial supply constraints
 - need to integrate various sectors, such as retail, transport, HORECA and tourism, to support attractive and diverse retail in cities

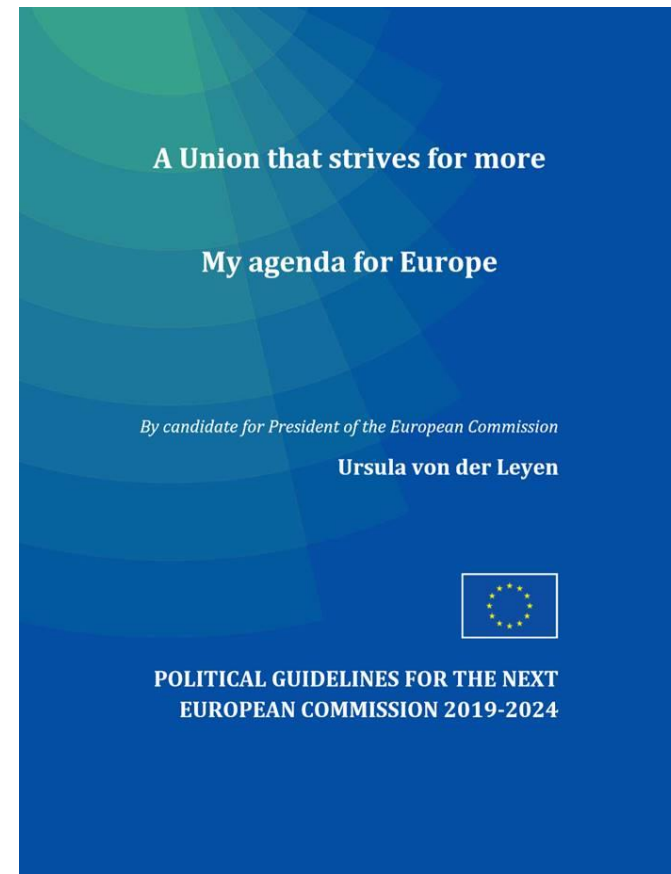
Take aways

Panel 4: Role of small retailers in the vitality of city centres

- national initiatives
 - value of small retailers to the vitality of city centres
 - social benefits
 - benefits for tourism and the protection of cultural heritage
 - importance of proximity of shops
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- exchange of best practices
 - necessary environment, funding and information for SMEs to make the digital change, less administrative burden
 - need for SMEs to have a digital presence, need for skills
 - holistic response for the revitalisation of city centres
 - a need for a level playing field for retail development within city centres and out of town

New Commission's political guidelines

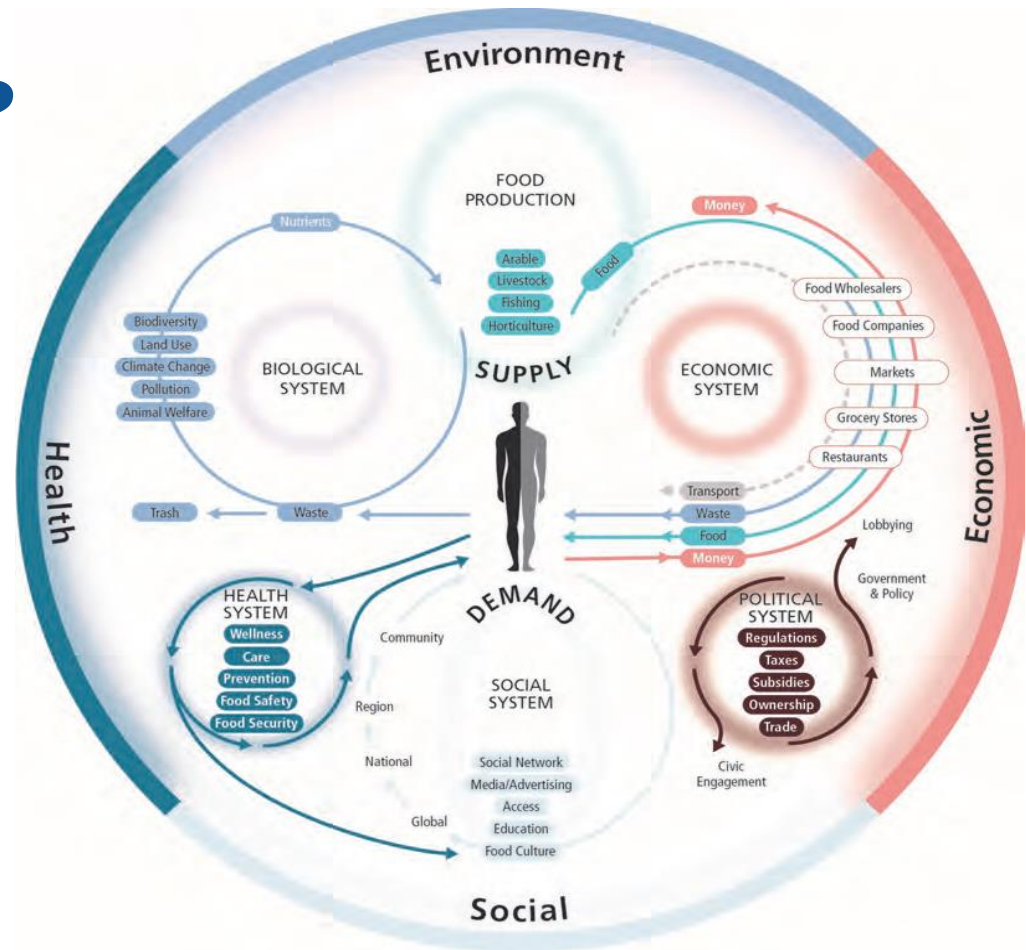
- *A European Green Deal*
- *An economy that works for people*
- *A Europe fit for the digital age*
- *Protecting our European way of life*
- *A stronger Europe in the world*
- *A new push for European democracy*



Where is retail?

“From Farm to Fork”

- reducing single-use packaging
- Low emissions stores
- Responsible sourcing
- Reducing food waste



SME's angle

- *" I will put forward a dedicated SME strategy to ensure they can thrive by reducing red tape and improving their access to the market"*
- *I intend to focus on tighter enforcement...This is about strengthening trust and confidence between us, which is as good for our internal market as it is for our internal unity.*
- *Digital literacy has to be a foundation for everyone*

The brief for the TSC's study

- The purpose of this study is to gather evidence on the **prevalence, reasons for and effects** of such practices on the Single Market.
- Results will indicate **categories of products** in the supply chains of which TSCs are most prevalent, **the extent** to which they are present in those categories, the **types of TSCs** that are used most often as well as the **geographical scope** of the practices.
- The study also aims at explaining the **possible reasons for suppliers** to limit the way their products are distributed.
- An important element of the study will concern measuring the **effects of TSCs**, i.e. their impact on the Single Market, in particular on consumers and on businesses (along the supply chains, including manufacturers, wholesalers and retailers).

Timing of TSC's study

- Contract signed in July 2019 (10 month duration)
- Desk research started
- Scoping interview soon
- In-depth interviews and data collection (12 MS, 6 product categories)



Small Retailers' Workshops (Brussels, Madrid, Vienna, Bucharest)

The EU Week of the Regions and Cities:
#GoTrade – Investing in local markets as a driver for our towns & cities

https://europa.eu/regions-and-cities/programme/sessions/322_en

Retail & the City: Practical tips on how to revitalise and modernise small retail

https://europa.eu/regions-and-cities/programme/sessions/309_en

Urban Regeneration: Best practices for vital European City Centres

#EURegionsWeek
#RevitaliseRetail

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2. Geoblocking Regulation review

- *According to Article 9, its first review needs to be carried out by **23 March 2020**, with a particular emphasis on assessing the feasibility of extending its scope to currently excluded sectors.*
- *In its statement accompanying the Regulation, the Commission undertook that it will*
 - *thoroughly assess the way in which the Regulation has been implemented and has contributed to the effective functioning of the internal market*
 - *perform a substantive analysis of the feasibility and potential costs and benefits arising from any changes to the scope of the Regulation, including other sectors [...], such as services in the field of transport and audiovisual services, any remaining unjustified restrictions based on nationality, place of residence or place of establishment should be eliminated.*

On-going activities for the review

A. Assessment of the effects/application of the regulation

A1. Impact on market practices/traders behaviour:

-> *Mystery shopping exercise (October/November 2019), to review the prevalence of geo-blocking practices in some sectors currently covered by the scope + in transport services (that are excluded now).*

Timeline: contract with external contractor entered into force in September 2019; execution duration is maximum 6 months.

First results (raw statistical data): November 2019

A2. Enforcement framework & practice

-> *Assessment of existing legal framework for enforcement at MS level*

*Timeline: ongoing; **possible follow-up questions to MS during October 2019***

-> *Information gathering on the experience of the competent national authorities during the first months of application of the Regulation (EU Survey to national CPC enforcement bodies and to ECC)*

Timeline: surveys to be completed by 15 October 2019 (launched in September)

On-going activities for the review

B. Assessment of potential to extend scope to other sectors

B1. Copyright protected content (audiovisual and non audiovisual): ongoing study

Timeline: The contract with the external contractor entered into force in February 2019. The task execution duration is 9 months.

NB: certain Articles of the Regulation already apply to non-audiovisual works protected by copyright (such as e-books, video games, music and software): such as those prohibiting the discriminatory blocking of access to online interfaces and re-routing without the customer's prior consent as well as discrimination for reasons related to payment.

B2. Other sectors:

-> Mystery shopping exercise (October/November 2019), to also review the prevalence of geo-blocking practices in transport services (currently not covered), as mentioned already

Timeline: contract entered into force in September 2019; execution duration is maximum 6 months.

First results (raw statistical data) : November 2019

-> Internal consultations with other Commission services

Retail alliances

DG AGRI workshop, 4-5 November 2019

The aim of the workshop is thus to fill the current knowledge gap by structuring the debate around:

- *The functioning of national and international retail alliances*
- ***The economic efficiency of such alliances in the agricultural and food supply chain***
- *The impacts of retail alliances on upstream operators in the food supply chains*
- *The legal context and policy implications*

DG COMP, HBER review

Short term outlook

- *Enforcement (post Visser case ruling, proportionality assessment guidelines)*
- *Some food for thought (digital and brick-mortar getting closer under new Commissioner, a holistic approach to retail and revitalisation of city centres, EU database on best practices in retail, access to data and SME's (platforms))*

Thank you for your attention!

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