



THIS IS RETAIL & WHOLESALE TODAY...



BRINGING **VALUE** TO CUSTOMERS



CONVENIENCE

QUALITY

CHOICE

PURCHASING
POWER

SERVICE

... BUT
THE WORLD
IS CHANGING...

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... RETAILERS
& WHOLESALERS
ARE MOVING
AHEAD....

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... THE EU NEEDS
TO SUPPORT FAIR,
COMPETITIVE AND
SUSTAINABLE
RETAIL &
WHOLESALE...

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THE WORLD IS CHANGING...



1 Going digital

- > Technology is driving commerce online; retailers innovate and respond through **e-commerce** and **multi-channel**
- > Customers expect an integrated **seamless experience** across all channels
- > They want to **buy 24/7** and expect immediate availability and delivery
- > Data security and ownership will be crucial to building **confidence**
- > **Single market** in digital services needs to **improve** to keep up



4 ...the world wants value shared across complex, global supply chains

- > Looser EU regulation and global competition for commodities causes **volatility in food prices**
- > Customers want **value**, as well as **quality**, **innovative** products
- > But society is concerned about how and where things are made and **value is shared** among all, in particular farmers
- > Retailers and suppliers are mutually dependent: the whole supply chain needs to work hand in hand to give customers **what they want**



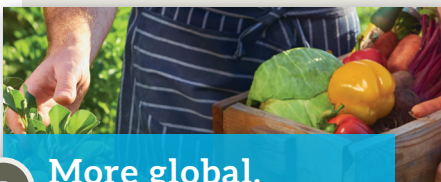
2 Our world starts in Europe

- > EU's Single Market: an outstanding achievement: **28 countries** and **500 million people**, elimination of tariffs and customs, **harmonised** or mutually equivalent **rules and standards**,
- > But it is unfinished. **There are still barriers**: different permits and authorisations at all levels, product testing and labelling requirements, complex tax administration for cross-border transactions, discrimination against foreign retailers, restrictions imposed by suppliers
- > EU companies must **compete globally** as "**one Europe**" with emerging economies
- > Single Market is vital to addressing unemployment and low growth. Retail and wholesale is uniquely placed to create jobs and unleashing growth
- > A fully functioning Single Market would benefit European consumers and citizens by **€615 bn**
- > Digitalisation presents significant **Single Market opportunities**, but highlights barriers to exploiting them



5 ...and creates a new world of work

- > Retailers and wholesalers are the **biggest EU private-sector employer**
- > Many European countries suffer from high **unemployment**, particularly **young people**
- > Digital will mean **different skills needs** and possibly fewer jobs
- > New and more **flexible work** patterns will impact employment relationships
- > **Rigid employment legislation** in some countries prevents businesses hiring for growth



3 More global, more local...

- > Supply chains are increasingly **global** — "Made-in" can no longer be defined
- > An open trading environment can allow retailers and wholesalers to deliver **choice, quality and competitive** prices
- > But there is a reaction to globalised economy: **protectionist pressure** from local interests and society
- > Increasing consumer preferences for **local, traceable** products



6 ...and is Only One Planet

- > Europeans' consumption patterns replicated worldwide would use **3 planet Earths**
- > Challenges: **Climate change**, population growth, scarcity of materials and natural resources and **loss of biodiversity**
- > Awareness of climate change means consumers care about a **product's environmental footprint**
- > EU wants to drive a **low-carbon** and **circular economy**, and to reduce waste





... RETAILERS AND WHOLESALERS ARE MOVING AHEAD...

1 Retailers and wholesalers go digital



Retail has been one of the first and most influential sectors to contribute to **digital transformation** of the economy. Rapidly innovating to meet shoppers' new lifestyles and expectations, some are **e-commerce giants** such as Amazon or eBay, but millions of **small-and-medium businesses** are seizing the opportunities of the new



digital world. Traditional retailers and catalogue merchants have transformed their businesses into "**omnichannel**" operations. Vibrant competition, new business models and innovative approaches appear every day.

Consumers benefit from more **choice**, price **transparency** and more **convenience** in paying and delivery. Is this the end of shops as we know them? Not at all. **Shops** on the high street, city malls or suburban shopping areas are **reinventing themselves**. To survive and grow, they are offering even better services and shopping experiences, combining the advantages of physical and digital retail. **Wholesalers** are also rapidly adapting to the digital economy, by **innovating** in their **B2B service** offering to clients.



2 Retailers and wholesalers go cross-border - and are the strongest supporters of the EU single market



Many **retailers sell cross-border** or **set up shop in other markets** as soon as they see opportunities and suitable rules. Retailers and wholesalers offer customers in these new markets **more choice, better prices**, and in many cases, **improved consumer rights, customer service**, and safety and environmental standards. Retailers and wholesalers have boosted the local economies. They have invested, created jobs, **developed local suppliers** of food and non-food products and given them access to their own and the retailer's home market. Export and import traders have provided the same added-value in their B2B markets.



3 Retailers and wholesalers drive global trade and development



Retailers, wholesalers and other traders are **drivers of global trade**, making it work to the benefit of both consumers and producers. By embracing global trade and open competition, they have made many sectors **more efficient**, delivering **better quality products and services at lower prices**. By investing abroad, European retailers have helped introduce and **promote European goods and services** to customers outside Europe. Responsible European traders have been instrumental in **raising environmental and social standards** in developing countries.

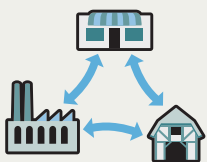


4

Retailers and wholesalers stand for fair, sustainable, and competitive supply chains



Retailers and wholesalers' success is dependent on **giving customers what they want** at a price they can afford. They do this best when they build up **long-term relationships** with suppliers and manufacturers to ensure consistent quality, innovation and competitive prices. Of the millions of supply transactions every year across Europe, only a few raise problems. **Margins in grocery retail are very tight**, much more so than those of manufacturers and processors. Global price volatility and shifting customer demand determine prices. Many retailers have acted to **mitigate the challenges facing farmers**, developing long-term contracts and mechanisms to manage price variations, and have also launched schemes that promote local produce and value added products or developed dedicated supply chains dealing directly with farmers. Retailers and other actors have together agreed principles under the **Supply Chain Initiative (SCI)** to ensure fair dealing across the supply chain.



6

Retailers and wholesalers work for a better environment



Retailers & wholesalers create jobs and invest in their people



Retailers employ almost 20 million people in Europe, wholesalers another 10 million. This means that **1 in 7 Europeans works in retail or wholesale**, many of them young people starting their first job. Some come from disadvantaged backgrounds with few skills. Retailers work with schools and colleges to equip the next generation with the right skills. Retailers and wholesalers **invest in employee development** to allow them to move up and take on management roles.



Others are already highly qualified, such as engineers or marketing experts but also chemists, designers or butchers, meeting the range of skills the sector deploys. The sector also has a strong track record in **welcoming people from all ethnic backgrounds, ages and people with disabilities**. Retail and wholesale allow **budding entrepreneurs** the opportunity to pursue their ideas as an online trader or opening their own shop.



Retailers and wholesalers recognise that **climate change and other environmental challenges present a real risk** to the entire supply chain: drought or other adverse conditions can have major impacts on supply and prices. Retailers and wholesalers lead by example in **running more sustainable businesses**. They work with farmers, fishermen and manufacturers to **source products that leave a smaller footprint**. They design their stores to use less energy and deploy more renewables. They invest in refrigeration with reduced greenhouse gases, trucks able to use more renewable energy, emit less CO2 and make less noise. Retailers use their direct **contact with consumers every day to encourage them to live more sustainably**, with clear product information, advice and awareness campaigns. They have achieved **significant results in reducing packaging and managing waste**.





THE EU NEEDS TO SUPPORT FAIR, COMPETITIVE AND SUSTAINABLE RETAIL & WHOLESALE THROUGH:

- > Creating the space to innovate and pursue new market opportunities
- > Better Regulation which allows retailers to reduce operating costs in order to compete
- > Flexibility to allow the sector to transform itself and its business to meet changing consumer needs
- > A free trading environment which opens up choice for consumers to access the best products in the world

1 A digital policy which:

- > Creates a level playing field for all forms and channels of retail and wholesale
- > Harmonises rules to make cross-border e-commerce possible for all companies, including SMEs (e.g. consumer rights)
- > Harmonises data protection rules to protect customer privacy and safeguarding confidential business data without onerous obligations on traders
- > Simplifies VAT and taxation for cross-border e-commerce
- > Provides a single portal for traders to inform them about rules governing business in all Member States

2 A properly working single market

allowing retailers and wholesalers to provide goods and services seamlessly across Europe, which:

- > Regulates sensibly: applies EU law effectively, avoids unnecessary burdens and costs, removes discriminatory national regulation
- > Simplifies and harmonises requirements on consumer information (e.g. labelling) and product safety
- > Provides small businesses with easy information and authorisations for operating in every country

3 A free global trading environment which:

- > Opens the market for services globally (e.g. through TISA, bilateral agreements and multilaterally)
- > Reaches bilateral trade and investment agreements with our main trading partners (e.g. TTIP) allowing retailers and wholesalers to source the best products and expand abroad, digitally and through commercial establishment, free from discriminatory rules
- > Guarantees importers predictable customs rules and balanced trade defence mechanisms (anti-dumping)

4 Support for balanced and flexible commercial relations which:

- > Recognises the value of the SCI as a powerful vehicle for addressing quickly and effectively any problems surrounding B2B trading practices and encourages all parts of the supply chain to sign up to SCI
- > Understands EU legislation cannot guarantee higher prices to improve farmers' positions
- > Allows a better understanding of the benefits of retail brands for consumers and SME manufacturers
- > Incentivises all parts of the chain to engage in dialogue to improve competitiveness and value-added for all actors

5 Labour laws and social dialogue focused on the specific needs of retail and wholesale which:

- > Encourage Member States to reform labour laws to provide more flexibility
- > Reflect modern lifestyles and working patterns to allow flexible hours and widen the pool of available workers
- > Allow retailers to equip people with the right skills for the future
- > Support social dialogue to promote the sector, and address challenges of youth unemployment, skills matching and partnership for labour market reform

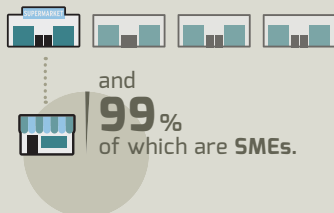
6 Policies on Sustainability and the Circular Economy which:

- > Recognise the sector's real achievements in sustainability (e.g. REAP) and reducing food waste and provide flexibility to continue progress made with voluntary initiatives
- > Strike a fair balance of responsibility among all actors
- > Resolve shortcomings of energy labelling and eco-design
- > Create conditions for adequate supply of organic, animal welfare and other products with premium sustainability value



EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading multinational retailers such as Carrefour, Ikea, Metro, and Tesco and many small family operations. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses.

1 in 4 companies
in the EU



10% of EU's GDP



29 million jobs



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