

# Strengthening the competitiveness of the European retail sector

The retail sector is one of the biggest sectors in the EU economy, with almost one in ten people working in over 3.6 million retail companies. The sector is changing rapidly with the development of e-commerce and multi-channel retailing, and has the potential to perform better. This is why the Commission is helping Member States and operators to overcome the current challenges by addressing an accumulation of restrictions in the retail sector.

Jyrki **Katainen**, Vice-President for Jobs, Growth, Investment and Competitiveness, said *"The Commission has identified very concrete and effective best practices to guide Member States' efforts in increasing the innovation, productivity and competitiveness of our retail sector. This will allow European retailers to strengthen their global presence and help our many SME retailers – often family businesses – in their efforts to embrace technological change. All of this will help create jobs and boost economic growth."*

Elżbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: *"The future of the European retail sector – and our economy at large – depends on its ability to develop innovative business models and maximise new opportunities such as e-commerce. This requires a favourable business environment. That is why we are offering advice to Member States on how best to apply EU rules and follow the example of tried-and-tested reforms in other EU countries."*

**What are the main areas where Member States can make further progress?**

- **Facilitating retail establishment:** The rapid setting up of a new shop is crucial for retailers to access the market, thereby fostering productivity and innovation. By improving compliance with the [Services Directive](#), Member States can make establishment easier without putting at risk public policy interests, such as town and country planning, protection of the environment and consumers. National, regional and local authorities are encouraged to reduce undue or disproportionate burdens, making retail establishment procedures simpler, shorter and more transparent.
- **Reducing restrictions to daily operations of shops:** These may become a significant burden for businesses and affect their productivity, which is why the Commission has identified best practices on sales promotions and discounts, specific sales channels, shop opening hours, retail specific taxes, purchasing of products in other Member States and contractual practices of modern retail. The aim is to ensure a level playing field in retail as well as fair and efficient supply chains,

while not restricting the freedom to pursue justified public policy objectives.

- **Adopting new approaches to promote vitality of city centres:** The Commission has also published today a [guide](#) on fostering the revitalisation and modernisation of the small retail sector. The guide gives public authorities practical suggestions on how to help small retailers embrace technological change and meet the challenges of the future. Each solution is underpinned by practical real-life examples, gathered from best practices across the EU, which can be transferred to the local setting. The guide identifies success stories from which Member States can draw inspiration for example, on how to build retail communities to help bring consumers to city-centres.

Additionally, the **Retail Restrictiveness Indicator (RRI)** provides a useful snapshot of the state of play of retail in Member States. It helps to identify best practices as well as areas for possible reforms. The RRI is also a dynamic monitoring tool to measure Member States' efforts in reducing retail restrictions and the impact of such reforms on market performance including productivity, prices and innovation, as well as spill-over effects on other sectors.

In addition to today's guidance for Member States' reforms and priority-setting for enforcement policy in the retail sector, the Commission will continue to monitor the evolution of the relevant regulatory frameworks and economic trends.

## **Background**

Retail is the second largest EU service sector after financial services, generating 4.5% of the value added in the EU economy and providing 8.6% of all jobs in the EU. EU households spend up to one-third of their budgets in retail shops. Retail is also a major driver for innovation and productivity. Through its interactions with other economic sectors, a better performing retail sector can trigger positive spill-over effects for the entire economy. Fewer restrictions in retail mean higher productivity in manufacturing. A more efficient retail sector can offer consumers lower prices which creates more demand and steers producers towards more innovative goods.

In the 2015 [Single Market Strategy](#), the Commission committed to address excessive restrictions on establishment of shops and day-to-day shop operations. Today's Communication on retail is the last deliverable of the Single Market Strategy. It complements other initiatives such as [proposals to make it easier for companies to sell products across the EU](#), a [Start-up and Scale-up Initiative](#), [measures to give a fresh boost to the services sector](#), measures for an [efficient and professional procurement](#) and the [protection of Europe's know-how and innovation leadership](#), steps to [enhance compliance and practical functioning of the EU Single Market](#) and the [trading of safe products across Europe](#). It also goes hand in hand with Commission's efforts to create an [EU Digital Single Market](#), in particular with initiatives on [geo-](#)

[blocking](#), [cross-border parcel delivery](#), [modernisation of the VAT](#) and [digital contracts rules](#).

**For More Information**

---

## **Integration of the Western Balkan countries guarantees security and stability in the region and should remain a top EU priority**

**EU accession remains a key motivation for reforms in the countries of the Western Balkans**

The enlargement of the EU, and in particular the spread of its democratic values and legal standards to the Western Balkan region, is in the interests of both the Western Balkan countries and the EU, insists the European Economic and Social Committee in its opinion on the [Economic and social cohesion and European integration of the Western Balkans](#), adopted at its plenary session on 19 April.

***"It is crucial that the accession of the Western Balkans remains one of the priorities of the EU,"*** said **Andrej Zorko**, rapporteur for the EESC's opinion. *"Promoting EU values in the region guarantees security and stability, enhances social and economic development, as well as democracy and the rule of law in these countries. And this in turn means stability and security to the EU. In this process, an active role by civil society, including social partners, is of great importance."*

Corruption, the impact of organised crime, the general weakness of state institutions and the rule of law and discrimination against minority groups are some of the problems that the Western Balkan countries are facing. Their economies continue to grow but, despite that, the six countries remain among the poorest in Europe. It is estimated that full convergence with EU living standards could take as long as 40 years. Therefore the EESC is convinced that the European Commission should develop specific programmes for faster social and economic convergence of the Western Balkans. The EESC welcomes the Commission's new strategy for the Western Balkans set out earlier this year and is ready to engage with civil society from the region to promote specific measures in the areas of rule of law, security and migration, socio-economic development, connectivity, digital agenda and reconciliation and good neighbourly relations. Offering young people from the Western Balkans more opportunities for education and work and clear prospects for their future would also stem the brain drain and labour migration which is still a dominant issue.

***“The EESC notes that the EU accession process remains a key motivation for reforms in the countries of the Western Balkans,” insisted Dimitris Dimitriadis, co-rapporteur of the EESC opinion. “The EESC points out the lack of attention given to the economic and social effects of the reforms carried out, considering the major differences in people’s economic and social security between EU Member States and candidates for membership. Therefore, the EESC recommends that social, economic and territorial cohesion be assessed when evaluating the fulfilment of EU membership criteria.”***

According to the EESC, respect for the rule of law and minority rights is of paramount importance for the democratic, economic and social development of the countries of the Western Balkans. Education and a free and independent media also have a big role to play in overcoming the disputes of the past and enhancing democratic values in the region.

The EESC welcomes the summit of EU-Western Balkans heads of states and governments, to be held on 17 May in Sofia. **Ahead of the summit the EESC will also co-organise on 15 May , together with TAIEX (Technical Assistance and Information Exchange Instrument of the European Commission), a joint civil society conference with representatives of civil society organisations from the EU and the Western Balkans under the title “Economic and social cohesion in the Western Balkans – a civil society point of view”.** The Conference is planned as an opportunity for organised civil society to contribute to the EU-Western Balkans Heads of State Summit. The EESC strongly believes that social partners and other civil society organisations, both at EU and national level, must be meaningfully involved in the entire process of the EU integration of the Western Balkan countries. It proposes that the EU institutions should consider having a functioning social and civil dialogue at national level as one of the criteria for EU membership.

---

## **Consumer Programme: New call launched!**

**Call for tender n° Chafea/2017/CP/02 concerning Multiple Framework Contracts with reopening of competition for the organisation of coordinated activities on consumer product safety (Non-Food) in the EU and EEA/EFTA countries**

Chafea intends to award three Framework Contracts for the provision of the services described here below. Potential candidates interested to participate in the procedure are invited to send their offer, in line with the requirements and formalities detailed in the invitation to tender.

The objective of this call is to conclude three Multiple Framework Contracts, with reopening of competition, with the 3 tenderers that are ranked highest in the tender.

For the provision of services related to the coordination of activities on consumer product safety in the EU/EEA/EFTA countries, the contractors will be responsible for:

- The overall coordination and logistical organisation of the product-specific and horizontal activities, including all necessary meetings during the project;
- The overall coordination of the product testing process, including the identification and selection of appropriate laboratories;
- Providing technical expertise and advice to support the work of the national market surveillance authorities; and
- Reporting on, communicating and disseminating the outcome of the activities to all relevant stakeholders.

The **deadline** to submit tenders for this procedure is **28 June 2018**.

---

## [2018 Calendar of the Chair and Executive Director of ESMA](#)

[Download PDF](#)

---

## [2018 Calendar of the Chair and Executive Director of ESMA](#)

[Download PDF](#)