

Press Release

The EU antitrust decision against Mondelēz shows the need to formally ban business practices that fragment the single market

Independent Retail Europe highly appreciates [today's decision by the European Commission](#) to impose a hefty fine on Mondelēz for imposing territorial supply constraints (TSCs) on retailers in breach of antitrust laws. Such unfair practices fragment the single market and artificially create higher prices for consumers. In light of the mounting evidence that large suppliers of branded food products commonly use TSCs, Independent Retail Europe calls on the Commission and the Competitiveness Council to work towards a complete elimination of TSCs through a new legislative instrument.


The European Commission imposed a substantial fine on Mondelēz for having implemented practices that prevented retailers from freely sourcing its products across the single market. Such practices are called Territorial Supply Constraints (TSCs) and result in the creation of national purchasing markets with artificially different purchasing prices for retailers. As retailers are prevented from sourcing from Member States where prices are lower, TSCs inevitably lead to higher consumer prices.

The Commission's antitrust decision represents one more piece of evidence that international suppliers of branded food products commonly use TSCs to boost their profit margins on the back of consumers. This case follows the 2019 AB inBev case (where AB inBev was found guilty of abuse of dominant position through the imposition of TSCs). A 2020 European Commission study on "[territorial supply constraints in the EU retail sector](#)" also showed that TSCs are costing EU consumers at least 14.1 billion euros per year, and that in the only four product categories studied, TSCs are also singled out as an important internal market barrier in the Letta report¹.

TSCs are currently not prohibited by EU legislation. They can solely be tackled through competition law in case of companies with a dominant position. This is largely insufficient, as large companies that are not in a dominant position (even though they may have high market power) can freely impose TSCs. **We therefore ask the Commission and Council to formally ban TSCs through a new legislative B2B-geoblocking instrument and by examining labelling practices that lead to TSCs.**

After more than 30 years of EU internal market, and two years of high inflation of food prices, it is high time for the EU to close this major hole in the single market for the benefit of all EU citizens.

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¹ TSCs mentioned as important Internal Market barrier in the Letta report of April 2024 (on page 113): <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>

About Independent Retail Europe:

Independent Retail Europe is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers. Independent Retail Europe represents 23 groups and their over 417.800 independent retailers, who manage more than 753.500 sales outlets, with a combined retail turnover of more than 1,320 billion euros and generating a combined wholesale turnover of 513 billion euros. This represents a total employment of more than 6.500.000 persons.

