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EUROPEAN RETAIL ALLIANCES PROVIDE RECOGNISED PRO-COMPETITIVE BENEFITS

RESTORING FACTS AND DEBUNKING MYTHS FROM THE BRAND SECTOR

Fairness in the supply chain is a serious issue: millions of farmers, suppliers and retailers in the EU deserve a fair debate based on facts, not myths. The statement published on 27 October 2025 by AIM – the European Brands Association – about European Retail Alliances (ERAs) is based on serious statistical and methodological flaws which not only radically undermine the content of its allegations but also shows it represents a blatant attempt to mislead EU policy makers. This paper therefore restores facts and debunks myths propagated by the European brand sector, while recalling the benefits of retail alliances as recognised by official EU documents and other independent sources.

Key facts in summary: why the AIM statement is misleading

AIM artificially inflates ERAs' importance through a flawed methodology and a misleading presentation

- The financial scale of ERAs is artificially inflated by multiple times, as the AIM statement uses the overall (downstream) retail turnover of ERAs members instead of the value actually negotiated through ERAs.
- The turnovers of the same retail groups are reported multiple times in the infographic.
- The activities of a single retail group are wrongly assimilated as those of a retail alliance.
- The EU retail turnover used as a benchmark is downsized to artificially inflate ERAs market coverage.
- AIM's flawed methodology leads to a claim of a 60% market coverage by 5 alliances, while independent sources report that members of 19 alliances represent no more than 41% of Europe's grocery market[1].

Unfounded accusations of forum shopping on Unfair Trading Practices (UTP) laws

- AIM claims without evidence that ERAs circumvent UTP laws by the sole choice of their country of establishment, while AIM's members are themselves often purposefully headquartered in non-EU countries.
- ERAs are compliant with the law e. g. with UTP laws.
- AIM omits that ERAs negotiate with multinational brand manufacturers for retailers spread all over Europe, and that certain ERAs also have some non-EU member retailers.

Why do European Retail Alliances exist and what are the officially recognised benefits of ERAs

- ERAs were created to generate efficiencies and a level playing field for negotiation with the largest multinationals in the FMCG sector, who enjoy extremely high market shares (40-80%) and some of the highest profit margins in the supply chain (10-30% net margins vs 2-3% for retailers).
- ERAs do not directly interact with farmers or SMEs.
- The EU 2023 Horizontal Guidelines (competition law) and the 2020 JRC report on retail alliances recognize and confirm that retail alliances and joint purchasing by retailers generally lead to lower consumer prices, reduced transactions costs for suppliers and more innovation.
- Two European Commission investigations concluded in 2023 that the ERAs investigated provided key benefits for consumers without harming upstream suppliers.
- ERAs are necessary to counter various unfair industry practices, including Territorial Supply Constraints by large multinational FMCG manufacturers, which fragment the single market and artificially raise consumer prices.

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[1] See report from IGD "European grocery retail alliances: an overview" from September 2025

1) AIM artificially inflates European Retail Alliances' importance through a flawed methodology and inaccurate data

- **The scale of ERAs is artificially inflated by omitting the real volumes procured**

To assess the size of ERAs, the AIM statement combines the retail turnovers (i.e. overall sales to consumers) of the members of ERAs. However, volumes negotiated through ERAs do not correspond to retailers' overall turnover, while a large share of their members' retail turnover is also unrelated to products sourced in the context of ERAs.

The volumes purchased by several alliances are in reality far lower than what is reported by AIM. For instance, AIM assesses the scale of EURELEC to around 165 billion Euros, while the (publicly available) Eurelec financial statements show its purchases are in reality **1400 % lower** at around 12 billion euros.

- **The turnovers of the same retail groups are included multiple times in the infographic on the market coverage**

Some retail groups are members of several ERAs, as the activities of these alliances are different (e.g. direct purchasing of FMCG brands, vs. sourcing private label products from manufacturers that only make private label products vs. provision of services to FMCG brands linked to purchases by the members of the alliance). In such cases, the AIM infographic reports several times the turnover of the same retailers[2] present in different alliances, giving a distorted and inflated impression of the market coverage of ERAs.

- **The activities of a single retail group are wrongly assimilated as those of a retail alliance**

The AIM infographic wrongly reports CWT and EURECA as European alliances that operate independently of Concordis. In reality, CWT and EURECA are not retail alliances but the operations of a single retail group (Carrefour). Concordis is Carrefour's only European Retail Alliance.

- **The consolidated retail turnover used as a benchmark is downsized to artificially inflate the alleged market coverage of ERAs**

As a benchmark to claim a 60% market coverage for 5 ERAs, the AIM statement uses (page 1) an unsourced consolidated EU grocery retail turnover of €1.400 bn.

This figure has major flaws:

- ***Flaw 1:*** the unsourced figure for the consolidated EU grocery retail turnover (€1.400 bn) is lower than other independent sources. E.g. Eurostat considered in 2020 (before the inflation crisis) that the EU turnover for retail and wholesale of food, beverage and tobacco alone was already close to €2.000 bn (so not even counting the sale of non-food products in supermarkets). Other sources estimate the major grocery retailers in Europe to have a combined turnover of circa 3.000 bn.
- ***Flaw 2:*** AIM compares an overall EU grocery retail turnover to the combined turnover of the members of 5 ERAS, while certain members of these ERAs are actually in the drugstore sector (which is separate from the grocery market).
- ***Flaw 3:*** the consolidated turnover of ERAs reported by AIM (used as benchmark) includes major retailers in non-EU countries (e.g. Switzerland and Norway for Migros, Coop Switzerland and NorgesGruppen) while AIM compares it to an EU-only total turnover.

As a result of these flaws, the market coverage of ERAs presented by AIM is artificially inflated. **For comparison, independent sources specialised in retail report that the members of 19 European and national alliances represent no more than 41% of Europe's grocery market, a far lower coverage than the 60% for 5 European alliances claimed by AIM.**

[2] Ahold Delhaize, Colruyt group, Carrefour, Leclerc, REWE group or RTG's turnover are included several times in the total turnover of the infographics as they are part of different alliances.

2) Unfounded accusations of forum shopping on UTP laws – while AIM members (multinational companies) are often not headquartered in the EU for their Europerations

The first ERAs were established at their seat of operations long before national UTP laws and the UTP Directive were developed. Contrary to AIM's allegations, ERAs do not engage in forum shopping. Their place of establishment does not automatically dictate which national law applies to their purchasing contracts, as per the Rome I Regulation.

ERAs negotiate with the 50 biggest international suppliers, on behalf of retailers operating across Europe, including in non-EU countries, and have therefore negotiations on a European scale with large international suppliers selling the same products across Europe.

These large international suppliers are often themselves headquartered outside of the EU for their European operations, while they are amongst the largest buyers of food products in Europe. E.g. the European headquarters of CocaCola Europacific Partners are in the UK, those of Kraft Foods/Mondelez, Colgate, Kenvue or P&G are in Switzerland. **Does AIM mean that their members are engaged in forum shopping because of their choice to locate their European headquarters outside of the EU?**

3) Why do European Retail Alliances exist and what are the officially recognised benefits of ERAs

- **ERAs balance retailers' negotiation power with powerful multinationals in the FMCG sector – they do not interact with farmers or SMEs**

European Retail Alliances exist to rebalance negotiations with extremely powerful and wealthy international FMCG suppliers who operate in product markets that are far more concentrated than the retail market.

ERAs negotiate with the around 50 largest international companies in the FMCG market which supply the entire European market:

- **These large international brands have extremely high net profit margins.** E.g. in the range of 10-30% - by comparison, retailers' average is around 2-3%.
- **These large international brands enjoy extremely high market shares and are either in a dominant position or close to dominance** in many product markets with market shares on their relevant product categories of around 40%-80%.

Non-exhaustive examples of international FMCG suppliers concentration and market power[3]:

France: ***two large brands*** have a combined market share of ***92%*** for fruit compotes, ***90%*** for cooked pork ham***, 88%*** for toilet paper, ***85%*** for chocolate spread, etc.

Germany: the ***leading brand*** has ***85%*** for baby meals, ***83%*** for canned peas, ***74%*** for frozen fries.

There is not one retailer that matches these large international brands' market power. Also, AIM's inflated figures show that even the largest ERAs do not have such high market shares (which usually correspond to the level set in EU Competition law for which anticompetitive effects are unlikely).

- **The EU 2023 Horizontal Guidelines (competition law) and the 2020 JRC report on retail alliances recognize that retail alliances bring several major benefits**

The benefits of joint purchasing are well recognised in EU official documents. One of the objectives of the EU single market is creating economies of scale for economic operators. The EU itself engaged in joint procurement of energy at the peak of the energy crisis, and jointly procured COVID vaccines, to the financial benefit of its Member States and all of its citizens!

[3] Sources: for France combination of different panelists and public sources for 2021, for Germany Nielsen for 2023.

Similarly, **both the EU horizontal guidelines and the JRC report on retail alliances recognize that retail alliances bring**:

- **benefits for consumers**[4]: lower consumer prices, more variety or better-quality products.
- **benefits for suppliers**[5]: reduced transaction costs, reduced cost of distribution, qualitative efficiency gains as well as improved access to markets.
- **benefits for retailers**[6]: maintain competitiveness in light of strong competition in the retail market, help create a single European purchasing market and contest territorial supply constraints imposed by industry players, but only when they purchase jointly, which only very few ERAs do (see below).

- **Two European Commission investigations concluded in 2023 that the ERAs investigated provided key benefits for consumers without harming upstream suppliers**

In light of regular public accusations by the brand sector, the European Commission conducted investigations into two major European Retail Alliances (AgeCore and Coopernic). The European Commission closed the investigations and stated in July 2023 that it **found no evidence of any anticompetitive practice, but, on the contrary, found evidence that the activities of these alliances lead to benefits for consumers through lower prices.**

- **ERAs allow to counter unfair practices of international suppliers of branded FMCG products that result in higher consumer prices**

Large international suppliers of branded FMCG products often impose unfair trading practices on retailers and wholesalers, which artificially lead to higher consumer prices, such as:

- Requests for major unfounded price rises with threats of delivery stops if not accepted
- Disguised shrinkflation practices
- Territorial Supply Constraints (TSCs)

TSCs intentionally fragment the single market though a set of practices which make it impossible for retailers to freely purchase branded products across the EU, and as a result, allow international suppliers of branded FMCG products to keep consumer prices artificially high. **An EU study[7] estimated in 2020 that TSCs cost consumers at least €14 billion a year** in only four food product categories studied at the time, a figure calculated before the recent inflation crisis, and which does not take into account TSCs applied in other common product categories. The European Commission considers TSCs as one of the 'terrible ten' barriers to the single market.

ERAs allow to restore some balance in the negotiations with international suppliers of branded FMCG products and to counter TSCs and other unfair practices by these international suppliers – practices which are not regulated by the UTP Directive nor any other EU legislation.

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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 25 groups and associations and their over 500.000 independent retailers, who manage more than 741.000 sales outlets. This represents a total employment of more than 6.500.000 persons. Find more information on our website, on X, and on LinkedIn.

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[4] See 2023 EU Horizontal Guidelines, para 275, para 305 and 2020 JRC report on retail alliances p 38 et seq.
[5] See 2023 EU Horizontal Guidelines, para 305 and 2020 JRC report on retail alliances p 22, p 34 et seq., p 39 & p 40
[6] See 2023 EU Horizontal Guidelines, para 275 and 2020 JRC report on retail alliances p 26 et seq., p 39
[7] Study on territorial supply constraints in the EU retail sector – Final report, Publications Office, 2020