

Press Release

EU must close legal loopholes on Territorial Supply Constraints to restore the single market and let competition play its role

Brussels, 15 May 2026 – As the European Parliament discusses today how to tackle territorial supply constraints, Independent Retail Europe calls on EU institutions to take the necessary measures to definitively ban these unacceptable unfair practices that fragment the single market and restrict competition. To this end, a single market legislation is urgently needed, as a wide range of TSCs fully escape EU law, leaving a broad legal gap which costs consumers billions of euros every year.

Territorial Supply Constraints (TSCs) are unfair practices imposed by manufacturers that make it impractical or impossible for retailers and wholesalers to freely choose where to buy products in the EU. As a result, parallel imports are severely restricted, limiting competition and allowing large manufacturers to keep prices artificially high in many countries in order to extract higher margins from retailers and consumers.

“TSCs unfairly block retailers from purchasing competitively across borders. They inevitably lead to higher consumer prices in most Member States, as retailers’ margins are so thin that they cannot absorb the huge price differences imposed by manufacturers. We urgently need a dedicated Single Market legislation to ban these discriminatory practices. Competition law instruments alone are insufficient to address the wide spectrum of TSCs” commented Else Groen, Director General of Independent Retail Europe.

Territorial Supply Constraints are widespread and cost a fortune to consumers

An [EU study](#) estimated in 2020 that TSCs cost consumers at least €14 billion a year in four food product categories, a figure calculated before the inflation crisis. Since then, the EU experienced 35% food price inflation, meaning that this consumer detriment is now likely closer to €20 billion, while retailers also report TSCs in other sectors. With 1-3% net margins, retailers cannot absorb these differences in wholesale prices, that international manufacturers present to them, purely in function on where a retailer is situated. TSCs inevitably lead to major consumer price differences between countries, and prevent retailers from using the single market to let competition play to reduce price differences.

17 Member States [reported](#) in the Single Market Enforcement Taskforce (SMET) evidence of TSCs used against companies in their countries. This is confirmed by various reports at national level¹, as well as by the Commissions’ findings in the [AB InBev](#) and [Mondelez](#) cases. The Commission [announced](#) on 13 April 2026 similar suspicions against another large company.

Territorial Supply Constraints benefit from a major EU loophole

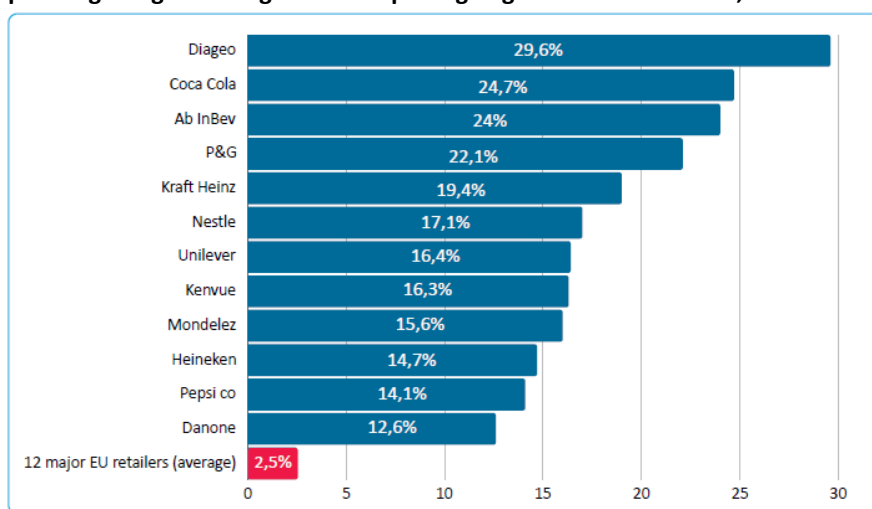
EU competition rules can only tackle TSCs imposed by dominant players or when agreements explicitly include TSCs. This means that TSCs unilaterally imposed by large companies that are not dominant (or whose dominance has not been demonstrated yet) can freely impose TSCs across Europe. This situation must end. The only effective solution is the introduction of a Single Market legislation similar

¹ [TSCs in the retail trade in Belgium, the Netherlands and Luxemburg - Benelux study, 2018](#)
[TSCs for buyers in the Netherlands \(Ecorys\), 2022](#)
[Branded food products in Austrian and German online supermarkets, Austrian Chamber of Labour, May 2025](#)

to the Unfair Trading Practices Directive which explicitly bans unilaterally imposed Territorial Supply Constraints, supported by a list of practices presumed to be prohibited in the Single Market.

The EU institutions need to show now that the Single Market brings real consumer benefits. Consumers are confronted every day with the cost of inaction on TSCs when comparing prices on international branded products. The independent retail sector therefore calls on the EU institutions to act without delay and to mandate the Commission to issue a proposal for a Single Market legislation on TSCs by the end of 2026, as promised in the 2025 Single Market Strategy

Operating margins of large branded packaged goods manufacturers, 2023



Contact:

Alexis Waravka – Deputy Director General

☎ +32 2 739 60 92

✉ Alexis.Waravka@IndependentRetailEurope.eu

Romanos Antonopoulos – Communications Manager

☎ +32 2 739 60 98

✉ Romanos.Antonopoulos@IndependentRetailEurope.eu

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 479.000 independent retailers, who manage more than 708.000 sales outlets, with a combined retail turnover of more than 1,446 billion euros and generating a combined wholesale turnover of 657 billion euros. This represents a total employment of more than 6.300.000 persons.

