



Independent
Retail Europe



2024 EU ELECTIONS MANIFESTO

**Together for a stronger
independent retail sector in the EU**

Foreword

Since the foundation of Independent Retail Europe over 60 years ago, the independent retail sector has evolved significantly. By being locally anchored, committed to providing high quality sustainable products and directly linked to farmers, producers, suppliers and consumers, independent retailers constitute a very substantial part of the retail sector. They make an important contribution to the growth of the European economy, to employment, cohesion as well as consumer well-being across Europe and also contribute significantly to the tourism sector. Therefore, the essential role played by the retail sector needs to be better recognised within the European communities and society as a whole.

Our core members – groups of independent retailers – have a unique cooperative business model, which supports their member retailers' entrepreneurial spirit, their autonomy and their uniqueness. The central cooperative structure of each group, which the member retailers jointly own and control, enables them to join their forces and flourish as a group as well as individually, benefiting consumers, local communities and society.

Because of its significant benefits for consumers, local economies, and the member retailers, this business model deserves due recognition from EU policy makers. In this respect, we welcome the "European Capital of Small Retail" initiative, which aims to acknowledge and promote the role of local retail by boosting its advancements in digitisation, sustainability, innovation, as well as in community development, diversity and attractiveness.

During the past five years, independent retailers had to face unprecedented challenges. The pandemic, supply chain disruptions, the energy crisis, increasing digitalisation and need for transition towards more sustainability continue to put them under unparalleled pressure, not least because of the already thin profit margins within the retail sector. Nevertheless, retailers have responded with optimism, by investing in essential equipment, undertaking store restructurings, embracing digital transformation, launching reskilling programmes and boosting sustainability efforts. Amidst these efforts, they remain committed to offering products at affordable prices and promoting sustainable consumption. In current times of inflation, this challenge becomes more conspicuous given the consumers' growing demand for affordable products. To enable the local retail sector to cope with the challenges and at the same time maintain a chance for development and innovation, we ask for the new 2024-2029 EU mandate to focus solely on boosting competitiveness and on the implementation of the current regulatory initiatives.

The recently adopted green and digital measures will already lead to many new burdens and require huge investments from retailers. In light of these challenges, ensuring a level playing field for multichannel, locally anchored SME retailers through fair and realistic rules that trigger their competitiveness becomes imperative.

Last but not least, we call for a more thorough consideration of retail concerns across various Directorates-General within the European Commission, the European Parliament and the Council. Retail is affected by EU policies across many areas: competition, corporate law, taxation, environmental law, consumer rights, protection and health, digital law etc. Better understanding of the complexity and functioning of supply chains and awareness of the cumulative effects of this multitude of policies on the retail sector would have a positive effect on the competitiveness and the resilience of the sector. In this regard, we also very much welcome the Retail Transition Pathway of the European Commission.



Thomas Nonn
President of
Independent Retail
Europe

Over **462.000**
independent
retailers



Over
6,39 million
employees



Combined
turnover of more
than **€2 trillion**



More than
737.000 sales
outlets



Find more about
our business
model!



8 good reasons to support independent retail in the next EU mandate

"Groups of independent retailers foster successful entrepreneurship and create millions of jobs for skilled and unskilled workers all across the EU. They are committed to equal opportunities and actively promote inclusivity. Europe's retail sector makes our communities and neighbourhoods vibrant and is of vital importance to the EU economy as a whole."

Marion Walsmann, MEP (EPP, DE), 2024-2029 mandate



"SMEs and SME retailers are the backbone of the EU economy. Their role is fundamental to EU cohesion as they contribute to local growth and lively local communities. Supporting their activities and development will pave the way towards a more sustainable European economy."

Maria Grapini, MEP (S&D, RO), 2024-2029 mandate



"By fostering cooperation, increasing bargaining power, mutualising investments, providing support in implementing digital solutions and in meeting sustainability requirements, the model of groups of independent retailers is critical to making SME retail competitive and sustainable."

Dr. Ludwig Veltmann, CEO, DER MITTELSTANDSVERBUND-ZGV (SME Groups Germany)



"The business model of groups of independent retailers represents 30% of overall French commerce. Their role is crucial not only in France but for the whole EU economy, providing millions of jobs."

Dr. Olivier Urrutia, Executive Director, Fédération du commerce associé (FCA)



"Our business model fosters autonomy and entrepreneurial spirit as well as cooperation to boost independent retailers' competitiveness. Policymakers should recognise the uniqueness of this business model and endorse our policy requests to strengthen independent retail."

**Alessandro Beretta, Secretary General of ANCD
(National Association of Retailer Cooperatives) Conad, Italy**



"Independent retailers are at the heart of so many local communities across Europe - they are the original Green Grocers - providing local communities with choice, competition and sustainable access to local suppliers and producers. Increasingly policy makers can see that independent retailers are the future of European retailing - local shops in local communities, supporting and sustaining local economies and societies"

**Tara Buckley, Director General of RGDATA
(Retail Grocery Dairy & Allied Trades Association), Ireland**



"Members of groups of independent retailers can provide modern retail services tailored to the needs of their local customers. They are indispensable for retail diversity and consumer choice at affordable prices in urban, rural and remote areas"

Pauli Jaakola, Retailer, Chair of Board in K-Retailers' Association, Finland



"By paying taxes locally, fostering partnerships with local producers, and employing local staff, local retailers bring prosperity and social cohesion to local communities."

Pavel Březina, President of AČTO (Association of Czech Traditional Retail), Czech Republic



Boost the competitiveness of independent retail



A level playing field for groups of independent retailers

Groups of independent retailers have a unique business model that does not always fit with policy makers' linear views of company models. We call on policy makers to consider the specificity of this cooperative business model, and ensure that it is not subject to obstacles that large integrated retailers do not face. Legal obligations and reporting requirements applying to retailers should be conceived in a way that allows the central structure of the group to comply on behalf of its independent member retailers.



Design 'SME-fit' policies through a more ambitious SME policy

• Give more weight to the SME test

The impact of new legislative proposals and amendments on SME retailers is frequently overlooked. The SME test should not only be systematically used for any legislative proposal, but it should also be designed to systematically assess impacts on the different sizes of SMEs, and on the different stages of the supply chain. No Commission proposal should proceed if the SME test yields negative results.

• Revise the SME definition in light of inflation

Often EU regulatory exemptions apply to small and/or micro-enterprises. However, the recent inflation wave made obsolete the financial thresholds used in the EU SME definition. Many companies are therefore at risk of losing these exemptions. To preserve SMEs' competitiveness, it is crucial to revise the SME definition in light of inflation. The Commission's recent revision of the Accounting Directive's thresholds should serve as an example.

• No new reporting requirements and a phased implementation for SMEs

EU institutions should not introduce new reporting or public disclosure requirements for SMEs and existing legislation should be examined to identify and gradually eliminate any reporting or public disclosure requirements applicable to SMEs. The central structure of a group of independent retailers should be entitled to comply with certain legal obligations and reporting requirements on behalf of its member retailers. Legislative initiatives should include a phased implementation for SMEs.



Promote a more beneficial payment landscape for retailers and consumers

• Preserve contractual freedom in payment terms to protect independent retailers

The Commission proposal to impose a 30-day payment cap jeopardises the financial stability of independent/ SME retailers. It would force them to find new bank financing that represents several times their net profit and favours large international manufacturers with high profit margins to the detriment of local independent retailers. We call on policy makers to reject this proposal and preserve flexibility of contract and the possibility to negotiate longer payment terms.

• Make payment systems more innovative and competitive

The EU retail payment market is dominated by a small number of dominant players. This results in high costs for merchants and, ultimately, consumers. We call on EU policy makers to restore merchant freedom to surcharge pricier payment instruments under the PSD3/PSR, to regulate scheme fees and commercial cards under the Interchange Fees Regulation, and to limit Digital Euro costs through a fixed fee per transaction (with no fee for low-value transactions) or a precise cap on fees.



Ensure a smooth twin transition for independent retailers



Sustainability: Focus on implementation of new legislation

The unprecedented amount of ambitious legislation adopted during the 2019-2024 EU mandate represents a major challenge for independent retailers. The new Commission should focus on the implementation of this legislation, rather than proposing additional obligations. There is otherwise a major risk of regulatory overload, compromising its proper implementation. The retail sector should also be consulted on the development of related guidelines and implementing acts.



SFSF: Do not regulate retail shops' operations and protect the Single Market

The future Commission's proposal on a Sustainable Food Systems Framework must carefully consider the resilience of the whole food supply chain. The low profit margins of retail are often disregarded by policy makers. EU policy makers should not regulate retail shops' business operations (e.g. impose refill stations, regulate food presentation in retail stores). Any restriction of retailers' freedom to operate their own shop will undermine independent retailers' already low profitability. We also call on the Commission to ensure that any revision of the food labelling rules primarily aim to combat fragmentation of the Single Market.



Ensure that the Green Claims Directive does not hinder business investments in sustainability

We invite EU policy makers to ensure that the recently proposed Green Claims Directive does not cancel the business case for companies to invest in sustainability. Rules on the verification of Green Claims should be kept simple and cost-efficient, and the Directive should offer simplified tools for compliance, notably when claims are based on guidelines by / verified by independent NGOs and scientific organisations. New private labelling schemes should not be banned by default.



Fair digital regulations for groups of independent retailers

Because of their business model, groups of independent retailers that operate under a single brand usually create a closed online platform exclusively for their member retailers, which the latter jointly control and own. The Digital Services Act (DSA) unfortunately ignored this specific model, which brings no more risk of illegal content than a regular website. Future digital policy should better acknowledge this model and treat it like the websites of competing integrated retail chains.



Support beneficial personalisation practices

Retailers have fully embraced the digital economy through a range of innovative online personalisation practices that bring enormous benefits to consumers. Examples include tailored discounts offered through loyalty programs, AI-driven product or shop recommendations based on shopping preferences, positive nudges towards healthier and sustainable products, etc. The digital fairness fitness check of EU consumer law must safeguard personalisation practices by retailers that enhance consumer (and society) welfare.



Ensure a level playing field between EU traders and third-country traders

The recent revision of the General Product Safety Regulation, Ecodesign Regulation, and Product Liability Directive, represents a missed opportunity to tackle the flow of non-compliant products sold by non-EU traders through online marketplaces. Specifically, when there is no designated economic operator responsible for product safety and liability, the online marketplace should step in and assume the responsibilities and liabilities typically attributed to importers. The remaining legal gaps must be tackled to protect consumers and ensure a level playing field for European retailers.



Strengthen the EU Single Market



A more assertive defence of the Single Market through a renewed infringements policy

A wide range of different requirements at national level disrupt the free movement of goods in the Single Market and negatively affects independent retailers' resilience. These cases pose a threat to the integrity of the Single Market and are often left unaddressed by the European Commission. We call on the European Commission to eliminate existing barriers and to adopt a more assertive defence of the Single Market through a more robust infringement policy.



Abolish Territorial Supply Constraints

Territorial Supply Constraints are barriers unilaterally imposed by large manufacturers of branded food products that artificially fragment the Internal Market and result in higher food prices. According to the European Commission, they cost the EU consumers at least 14 billion euros annually. We urge policy makers to abolish them. The upcoming Commission guidelines on exclusionary abuses of dominant positions should recognise their unlawfulness, while the EU should propose a legislation explicitly banning them.



Unfair Trading Practices in the food chain: preserve competitiveness in the Single Market, tackle UTPs from large sellers

The 2019 Directive on Unfair Trading Practices (UTP) in the agrifood chain was originally intended to improve the standard of living of farmers. Yet, the political result was a scope of companies with an annual turnover of up to 350 million euros, seven times what was proposed by the Commission. Another result was a fragmentation of the Single Market, due to uncoordinated transposition. Any reflection on the Directive's scope should consider the unfair practices imposed by powerful global food companies, which artificially fuel price inflation, without benefiting farmers, as well as the differences in profit margins of the respective sectors.

Did you know?

Retail accounts
for 11,5% of EU
value added



EU consumers
spend 1/3 of
their budget on
shopping



14% of EU cross-
border establishments
are in retail



Strengthen the Better Regulation agenda



Foster competitiveness through a more thorough consultation process

Slowing down the influx of new regulations and eliminating red tape is essential for companies' competitiveness. This would give them time to implement and absorb the cost of new initiatives. In order to boost EU companies' competitiveness, instead of introducing new legislation or applying a random 'one in one out' approach, we call on policy makers to apply a comprehensive competitiveness test on existing EU legislation to reduce burdens for companies, prioritise the deepening of the Single Market and deliver on the SME test.



Better impact assessments in EU institutions

Comprehensive impact assessments are essential to evaluate the potential negative consequences of proposed measures. By enhancing this process, policymakers can better anticipate challenges, align initiatives with overarching policy objectives, and minimise unintended consequences. The Commission should systematically publish the detailed opinions of the impact assessment scrutiny board. Proposals that received a negative assessment from the scrutiny board should not be adopted by the Commission.

The SME test should also be extended to new obligations proposed by the European Parliament and Council through a new procedure involving stakeholders that represent SMEs at different stages of the supply chain.



Ensure better representation of the retail sector in the European Commission

Retail and wholesale are affected by many EU policies: Competition; corporate law; taxation; environmental law; consumer rights, protection and health; digital law; etc. etc. Better recognition of the cumulative effects of this multitude of policies on the retail sector would have a positive effect on the resilience and competitiveness of the sector. Strengthening exchanges between different Directorates-General will foster a better understanding of the diverse challenges faced by the retail industry. We call on the Commission to increase the presence of retail expertise and to allocate more resources to the retail sector within DG GROW.



Increase SME involvement in EU legislation by involving all EU trade associations that represent SMEs

SMEs are rarely directly involved in EU policy making due to time constraints, lack of knowledge of EU process, or the language barrier. At EU level they are represented by a variety of EU trade associations, such as ours. SMEs should be more involved in EU policy making, by better involvement of the associations who represent them. This will also ensure more timely information of SMEs on upcoming legislation.

We also call on the European Parliament to start a new SME intergroup for the 2024-2029 term where all SME-focused stakeholder organisations are represented. The EU SME envoy network should also be open to all SME-focused stakeholder organisations in the retail sector.

Did you know?

1 in 4 SMEs is
in retail and
wholesale



Our Members



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 <https://twitter.com/IndeRetailEU>