

Ms Ursula von der Leyen  
President  
European Commission

By e-mail

Brussels, 14 May 2025

**Subject: Territorial Supply Constraints – Time to close the gap and ensure a #SingleMarket4All.**

Dear President von der Leyen,

EuroCommerce and Independent Retail Europe call on the Commission to propose **a legislative solution to eliminate territorial supply constraints** and announce this in the forthcoming Single Market Strategy.

The large majority of the fast-moving consumer goods and brands that EU citizens value and trust [are owned by only a handful of companies](#). How these companies behave in the Single Market directly affects the prices and choice available to EU consumers. These large manufacturers use the advantages of scale and efficiency the Single Market offers by sourcing their ingredients across the EU and producing centrally for many Member States in a few locations. Subsequently, they deliberately fragment the Single Market for distributors by imposing territorial supply constraints on retailers and wholesalers. The [Single Market Enforcement Taskforce](#) has identified that they most commonly do this through differentiation in packaging or labelling, refusal to supply cross-border or arbitrary price differentiation. As a result, retailers, wholesalers and consumers cannot benefit from the Single Market. The Commission has found in its [own study](#) in 2020 that this costs consumers at least €14 billion each year, only in the four food product categories studied at the time. Since then, Eurostat reported very high inflation<sup>1</sup> for food products, meaning that this figure is now likely closer to €19 billion. Something consumers can ill afford at a time when the cost of living is already rising as a result of other global developments. The Single Market Enforcement Taskforce found, and the [Commission workshop of 7 April](#) revealed, little justification for the differences in prices and choice between Member States.

We welcome the action the Commission has taken to date to fine [AB InBev](#) and [Mondelez](#), but EU competition law is not sufficient to tackle territorial supply constraints as it only [applies](#) to dominant players. Those that fall below the threshold, including the leading brand in a product category, are untouchable. They can only get caught if they conclude anti-competitive agreements, but these can remain hidden if they are internal intra-company instructions. There is therefore, a legislative gap. We echo the calls of several Member States who have asked the Commission to address this issue as a priority at the [Competitiveness Council on 24 May 2024](#) and those who have written to the Commission, like the [Greek Prime Minister](#) and the many signatory countries to the call for a [blueprint](#)

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<sup>1</sup> The consumer detriment in the JRC study is based on an analysis of prices in 2017 and 2018. Eurostat reported an inflation between 2019-2024 in the EU 27 of 37,4% for food and non-alcoholic beverages.

[on a horizontal Single Market Strategy](#). A message that has also been echoed by the [European Parliament](#).


[Enrico Letta](#) noted that freedom to sell is “*not an obligation to sell as long as sellers don’t discriminate, notably on grounds of nationality and place of residence*”. In these times of global uncertainty, marked by a cost of living crisis that has profound repercussions on EU citizens, we need to strengthen the Single Market so it delivers for all. This comes with responsibilities for the guardians (e.g. the European Commission, the European Parliament, the CJEU as well as national courts and governments) and the users (the economic operators and consumers). We therefore, need:

- The Commission to ensure the Single Market functions by proposing Single Market legislation that eliminates territorial supply constraints, and ensures that its rules and principles are enforced;
- Large manufacturers to be made to stop using these practices;
- Member States to be asked to reassess their labelling requirements or other rules that enable large manufacturers to continue fragmenting the Single Market;
- The users, retailers and wholesalers, to gain efficiency from being able to source freely in the Single Market; and
- Consumers to benefit from the savings that retailers and wholesalers are [proven](#) to pass onto them due to the high level of competition in the retail market.

**Now is the time to act and ensure a [#SingleMarket4All](#).**

We thank you for your consideration and are at your disposal to further support your work on this important topic.

Yours sincerely,



**Christel Delberghe**  
Director General, EuroCommerce

Yours sincerely,



**Else Groen**  
Director General, Independent Retail Europe