

# Action Points

FOR SUSTAINABLE EMPLOYMENT, GROWTH  
AND CONSUMER VALUE

THE RETAIL SECTOR: 2009 - 2014  
Competitive, Sustainable, Delivering



European Retail  
Round Table



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Retail plays a vital role in helping the European economy to recover, generating **LOCAL** jobs and local economic growth in all regions of all Member States

The retail/distribution sector **EMPLOYS 33 MILLION EUROPEANS**, some 15% of the European workforce

Many of Europe's retailers have become **GLOBAL** success stories

Retailers provide **A VITAL BRIDGE** between suppliers and consumers

The retail sector is vibrant and competitive. This **COMPETITION** keeps prices down, meets consumers' needs and helps control inflation

European retailers' make an important contribution to influencing **SUSTAINABLE CONSUMPTION** in their own stores and through their supply chains' operations, and through effective communications with consumers

Retailers drive innovation and are at the fore in developing and using advanced logistics and **INFORMATION TECHNOLOGIES** throughout their operations



Over the coming 5 years,  
European legislators will have  
the opportunity to take many decisions  
which will support and help the sector,  
its customers, its employees  
and its supply chain partners



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## JOBS AND GROWTH:

The commerce sector is economically significant, employing some 33 million people, and generating 12% of EU GDP. But the sector also offers European manufacturers and service providers an efficient and effective way to market. A healthy, vibrant retail sector benefits all.

Retailers have very strong roots in their local communities. It is one of the few sectors that offer significant job opportunities in built-up, densely populated areas. It is a sector that actively recruits those who have been long-term unemployed, and trains many not only in retail skills but in more basic social skills too. These jobs are valuable.

### Jobs & Growth: Solutions for 2009 - 2014

- ○ ① **The Commission should resist protectionism in all forms, and in particular, should take a more balanced view of genuine Community interest when considering anti-dumping cases.** While European manufacturers should be encouraged, retail employees and consumer interests are also worthy of support...
  
- ○ ② Retailers offer conditions to suit different family backgrounds and needs – through flexible working terms, part-time positions, job-sharing opportunities, etc. **European legislation should continue to support the diversity and flexibility of employment opportunities.**
  
- ○ ③ While respecting local cultural and economic demands, there is a need for a revision of regulations on shop opening hours - **more flexibility in this area** would bring more jobs, wider choice for consumers and boost competitiveness.

“The retail sector plays an essential role in the internal market by allowing suppliers to access non-domestic markets and therefore benefit from the internal market.”

*Commissioner Neelie Kroes, February 2008*




## INTERNAL MARKET: HEALTHY COMPETITION AND SUPPLY CHAIN PARTNERSHIPS


Coherent enforcement of competition and consumer protection rules is essential. Over the past years, many national competition authorities have found that the strength of retail buying power has been a necessary counter to the power of large suppliers, and that the competition provided by large retailers benefits consumers.


Governments must encourage competition, not stifle it. Yet, many Member States curtail competition within their borders, promoting locally produced products at the expense of other EU goods, and imposing price restrictions that raise prices to consumers.

As European retailers open new stores around the world, European suppliers - many of them SMEs - have new markets opened to them. We must focus on what can be done to boost real competitiveness along the entire supply chain at a time of huge economic uncertainty.

### Internal Market: Solutions for 2009 - 2014

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**Member State regulations that unfairly restrict entry of new retailers into their markets should be challenged and withdrawn.** Consumers should not be denied choice. The Services Directive must be implemented quickly and effectively – breaking down barriers and restraints erected by those who favour protectionism over consumer benefits.
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In addition, **many technical and regulatory barriers remain in place**, preventing free movement of goods within the EU, leading to less choice for consumers and higher prices. These barriers must be lifted, and the principle of mutual recognition respected.
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**Member State rules, codes, actions that restrict retailers' ability to compete on prices should be abolished.** Competition is key to consumer welfare.



## CONSUMER CHOICE, VALUE AND CONTROLLING INFLATION:

European consumers have a right to expect healthy, safe, nutritious, quality-assured products at affordable prices. Retailers work hard to keep inflationary increases off the shelves, even as commodity food prices and oil prices fluctuate widely. This is achieved through scale economies and logistics efficiencies, and through robust discussions with manufacturers concerning the prices to be paid for their goods.

Price, product range, quality and market share are all fiercely contested between large retailers. The development of retailers' own label products is a response to consumer demand for clear value. These own labels offer real competition to well-resourced, internationally recognised branded goods.

Many SME suppliers are direct beneficiaries of this increased demand for retailers' own label products. The relationship between retailer and manufacturer is a market issue, underpinned by competition law - the focus should always be on the consumer.

Retailers also fight against unwarranted costs that push up prices. Hidden credit and debit card 'interchange' fees that retailers have to pay every time a card is used are not justified and anti-competitive.

### Consumer Choice & Value: Solutions for 2009 - 2014

- ○ 7 Retailers' own label products are a market-driven, consumer-led trend. They challenge the traditional big brands, they offer consumers wider choice at affordable prices and they offer SME suppliers huge opportunities for growth. **EU legislators should defend these wider interests.**
  
- ○ 8 Interchange fees levied by payment card schemes and by European banks are hidden taxes on all consumers. **Legislators should push for pan-European competition and real transparency concerning all fees and charges levied on credit and debit card use.**

“The battle to win customer loyalty will increasingly be fought not just on value, choice and convenience but on being good neighbours, being active in communities, and seizing environmental challenges.

We see our work to improve our energy efficiency and help customers do the same as part of the way to build a successful business in the 21st century.”

*Sir Terry Leahy, Tesco CEO and ERRT President*



## SUSTAINABLE RETAILING:

Sustainable production and consumption is a challenge which requires a collective and co-ordinated response from policy makers, business and consumers. Policy makers set the framework, business invests and delivers on the ground, and consumers are the essential drivers of change.

Retailers are playing their part in responding to this challenge, not only in terms of greening their own operations, but also in seeking to encourage more sustainable behaviour in their supply chains and with their customers.

In March 2008, ERRT members committed to reduce energy consumption by a minimum of 20% by 2020 and work towards sourcing more than 20% of renewable energy by 2020.

In March 2009, European retailers created the Retail Forum, with the European Commission, that – through dialogue with a wide range of stakeholders - shares best retail practices; identifies barriers that hinder sustainable consumption and production; and identifies key challenges ahead.

## Sustainability: Solutions for 2009 - 2014

- ○ 9 In order to plan and invest with confidence, retailers need **coherent energy and environment policy frameworks** that provide clear direction on the way forward. Those frameworks need cost effective policy solutions, appropriate time scales and a balance between regulatory and voluntary actions.
- ○ 10 **European legislators are invited to support the Retail Forum on Sustainability** – helping to promote a wide range of voluntary sustainable consumption and production actions by retailers.



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### **ERRT**

The European Retail Round Table was established to express the views of large retailers on a range of issues of common interest focused on EU public policy. Their businesses operate worldwide and represent a cross-section of the retail sector. Collectively, ERRT members have a turnover of more than €400 billion and employ 2.3 million people in over 40,000 stores.

### **MEMBERS**

Asda Wal\*Mart, C&A, Carrefour Group, Delhaize Group, El Corte Inglés, H&M, IKEA, Inditex, Kingfisher, Marks & Spencer, Mercadona, METRO Group, Royal Ahold and Tesco.