

Strengthening the competitiveness of the European retail sector

Retail is a key sector in the EU economy – there are about 3.6 million companies active in the retail sector, representing 4.5% of value added and accounting for almost 9% of EU jobs. Retail is also essential for consumers – EU households spend up to one-third of their budgets in retail shops.

With the rapid development of e-commerce, the sector is currently undergoing a dramatic transformation. Multi-channel retail, combining offline and online, brings both new opportunities and challenges for the sector. Still, in many countries the regulatory framework put in place decades ago has not been adapted to the digital age.

In the [2015 Single Market Strategy](#) the Commission announced it would look at the restrictions in the retail sector and identify best practices for facilitating retail establishment and reducing operational restrictions.

The task of regulating the retail sector lies primarily with Member States. However, Member States should assess their existing regulatory frameworks to make sure they are non-discriminatory, duly justified and proportionate and are effective for the public objectives pursued. They should apply the same principles when they set new rules.

The set of best practices the Commission published today provide guidance for Member States in their efforts to create a more open, integrated and competitive retail market. They help them identify less restrictive measures without risk to the public policy objectives at stake. This will contribute to a better performing retail sector, benefit consumers, and have positive spill-over effects on manufacturing and other sectors.

At the same time, the Commission is publishing a [practical guide](#) for revitalising and modernising the small retail sector so that public authorities can help small retailers embrace technological changes and modernise to meet the challenges of the future.

Can you share some examples of best practices?

- **When applying location-specific rules**, including with the objective of keeping city centres vibrant, in accordance with the Services Directive, public authorities need to assess the proportionality of these rules, in particular to ascertain whether less restrictive rules would be equally effective.

Example: In France, the rules concerning retail establishment allows retailers to select the optimal location for their shop without consideration granted to the shop format and products assortment.

- **New approaches to promote vitality of city centres:** Public authorities are encouraged to consider a wide range of actions and measures to attract consumers to city centres which do not rely exclusively on restrictions on retail establishment.

Example: In a part of Amsterdam (Netherlands), known as the '9 streets', retailers came together to create a thriving community, building on the identity and cultural heritage of the area. Using a community manager, retailers are encouraged to coordinate common marketing and promotional activities linked to this heritage that can attract tourists or other consumers to the area, promoted via a website. This, together with other initiatives led by the competent authority such as the introduction of a car-free zone, has bolstered retail activity and demand for retail space in the '9 streets'.
- **Simplified procedures** are less time and resource intensive. In accordance with the Services Directive, public authorities must facilitate brick-and-mortar retailers' access to the market through simplified retail establishment procedures with fewer permits which can be applied for through a single on-line point of contact.

Example: In Belgium, to simplify the administrative process, the Regions introduced integrated procedures and one-stop-shops for retail establishment. These changes enable retailers to apply for a single integrated permit in one place.
- **Shop opening hours** an important factor influencing consumers' accessibility to a retail shop. E-commerce is significantly changing consumers' shopping habits and brick-and-mortar retailers may have difficulties keeping up with competition by on-line retailers. Public authorities are encouraged to provide for flexibility to adapt to consumers' changing preferences and aim at a level playing field with e-commerce.

Example: In Finland, the shop opening hours have recently been fully liberalised, with a significant positive impact on competition and employment.
- **Sales promotions and discounts** can be part of a retailer's strategy in a multi-channel environment or for entering a new market. Public authorities must comply inter alia with the principle of non-discrimination, justification and proportionality when setting rules on sales promotions and discounts; this would also contribute to ensuring a level playing field with e-commerce.

Example: A recent reform in Luxembourg aimed at facilitating end of business sales and authorising sales below cost. Greece extended the end-of-season sales periods in 2014.

Should establishment conditions for all kinds of shops be the same?

In many Member States, different rules apply to retail establishment projects

depending on the size of the planned shop. This seems logical as large shops are likely to have a greater impact on town and country planning and the environment. But size thresholds affect the formats and sizes of the shops opened and may artificially shape the retail landscape. They may also prevent innovative business concepts from being brought to the market. This can have a negative impact on the sector's productivity. When setting size thresholds for retail establishment, public authorities must assess the consistency of such thresholds with the public policy objectives they want to pursue. Moreover, they should consider the effects of threshold sizes on the overall market structure and on competition.

Should shop opening hours be regulated at EU level?

No. The Commission does not suggest that shop opening hours should be regulated at EU level. This is an issue for Member States. In some Member States, shop opening hours are not regulated. E-commerce has fundamentally changed consumer shopping habits and brick-and-mortar retailers may have difficulties keeping up with competition by on-line retailers. Through these best practices, the Commission encourages Member States to consider the changes brought by e-commerce while making sure employees as well as SMEs are protected. The Commission invites Member States to assess whether their regulatory frameworks are still fit for the new reality and encourages them to allow flexibility to adapt to consumers' changing preferences and create a level playing field with e-commerce.

How can this initiative help bring life back to city centres?

As the number of vacant shops is growing, keeping city centres vibrant is a legitimate concern for national, regional or local authorities. The economic crisis, the development of e-commerce and changes in consumer shopping habits have had a significant impact on retail in many city centres. To counter this trend, some public authorities apply restrictions to retail establishment on the periphery of towns. The efficiency and sometimes the compatibility of such rules with the Services Directive may be questioned. Across the EU there are already numerous examples of public authorities designing and testing strategies going beyond retail to attract people and small and large retailers back to city centres. Clearly, there is no one-size-fits-all solution for such strategies. In the Guide for revitalising and modernising the small retail sector the Commission is identifying positive examples throughout the EU. These can serve as inspiration for authorities pursuing their urban development objectives.

What does this initiative offer to small retailers?

SMEs generate 66% of the retail sector's value added and 70% of its employment. Running a shop is one of the most common types of a family business. The best practices proposed by the Commission should help offline retailers, including SMEs, compete with e-commerce. For example, simplifying administrative procedures would make it easier for SMEs to do business. In addition, the Guide published by the Commission provides practical

suggestions on how to help small retailers embrace technological change and attract consumers back to the high streets.

Some suppliers try to prevent goods from crossing borders; they insist that national retailers buy from their national distributor. How can these best practices contribute to removing such territorial supply constraints?

Territorial supply constraints artificially partition the Single Market. They can hamper EU consumers' access to a variation of branded products from other Member States. They can also lead to significant differences in prices of these products across the EU. The best practices clarify that such behaviour should be prevented. Retailers should be able to buy products from whom they want and from where they want, to offer consumers access to a wide choice of products, including different versions of the same product, at potentially lower prices.

How did you come up with the ranking of Member States according to their restrictiveness?

We have developed the Retail Restrictiveness Indicator (RRI) to provide a useful snapshot of the impact of retail regulation in Member States. We have built on the OECD methodology for the Product Market Regulation index. Information underpinning the RRI has been gathered through studies and research and verified with Member States. The RRI methodology has also been discussed with Member States. The indicator is a dynamic monitoring tool to measure Member States' efforts in reducing retail restrictions and the impact of such reforms on market performance. The indicator constitutes a factual overview of restrictions in Member States. Rules on distribution channels for specific products, such as alcohol, tobacco and non-prescription medicines are included for the sake of completeness of the restrictiveness picture. This is without prejudice to the health and societal policy objectives pursued by Member States. The Commission shares these objectives and has developed dedicated policies and legislation, particularly on restriction of tobacco sales and advertising, safe use and distribution of medicinal products and reduction of alcohol related harm.

The Commission has repeatedly addressed Country Specific Recommendations with respect to retail to Member States in the framework of the European Semester. How are these best practices different?

[Country Specific Recommendations](#) under the European Semester address particular issues in particular Member States, taking into account the overall economic situation of a Member State and pointing to areas where reforms are needed. The best practices are meant to serve as guidance for Member States when reforming their retail sector. They could serve as a toolbox helping Member States that received Country Specific Recommendations shape their future retail policies.

What are the next steps? Will you consider legislative action in the future?

At this stage, the Commission will continue to monitor how the regulatory frameworks for retail evolve. The retail restrictiveness indicator will be used to assess Member States' performance and to measure their efforts in reducing retail restrictions. Trends in the retail sector will remain an important part of this monitoring. The results will feed the Commission's analysis within the framework of the European Semester. It will also provide a basis for priority-setting in the framework of the Commission's enforcement policy in the retail sector. The Commission envisages a series of follow-up actions, including a [high level conference on 19 June](#) with the participation of policy makers, representatives of the sector, civil society and academia. It will focus on the opportunities and challenges the sector is currently facing and regulatory responses to these challenges.

For More Information

Statement By First Vice-President Timmermans, Vice-President Dombrovskis and Commissioner Jourovà on the adoption by the European Parliament of the 5th Anti-Money Laundering Directive

" We welcome the adoption by the European Parliament of the 5th Anti-Money Laundering Directive. These new rules will bring more transparency to improve the fight against money laundering and terrorist financing across the European Union.

We want to thank the two co-rapporteurs, Mr Kariņš and Mrs Sargentini, and the shadow rapporteurs for their strong support and valuable expertise, which have hugely contributed to this result.

With its vote, the Parliament concludes an ambitious round of negotiations initiated two years ago. In July 2016, in the aftermath of the terrible terrorist attacks that struck the EU and the vast financial dealings uncovered by the "Panama Papers", the Commission decided to take urgent counter-measures. The revised directive is part of that action plan.

We can be proud of the new measures, which will substantially improve the existing rules. We are today marking an important step in fighting against financial crime. But our work is not over. Fighting effectively against financial crime needs proper implementation of these rules and strong coordination amongst the different authorities.

We commit to helping all Member States put them in place and to monitor their implementation.

We want all EU Member States to uphold high standards in the fight against money laundering and terrorist financing across the EU.”

Background

The proposal was presented by the Commission in July 2016 in the wake of terrorist attacks and the revelations of the Panama Papers scandal, and is part of the Commission’s [Action Plan](#) of February 2016 to strengthen the fight against terrorist financing. It sets out a series of measures to better counter the financing of terrorism and to ensure increased transparency of financial transactions.

The 5th Anti-Money Laundering directive will:

- enhance the powers of EU Financial Intelligence Units and facilitating their increasing transparency on who really owns companies and trusts by establishing beneficial ownership registers;
- prevent risks associated with the use of virtual currencies for terrorist financing and limiting the use of pre-paid cards;
- improve the safeguards for financial transactions to and from high-risk third countries;
- enhance the access of Financial Intelligence Units to information, including centralised bank account registers.
- ensure centralised national bank and payment account registers or central data retrieval systems in all Member States.

For more information

[Factsheet](#) on the main changes of the 5th Anti-Money Laundering Directive

[Directive on the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences](#)

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Renforcer la compétitivité du secteur européen du commerce de détail

Aujourd’hui, la Commission publie un ensemble de bonnes pratiques destinées à soutenir l’action des États membres pour rendre le secteur du commerce de détail plus innovant et productif. Ce secteur est l’un des plus importants de l’économie européenne: près d’une personne sur dix travaille dans une des 3,6 millions d’entreprises du secteur. Il connaît une mutation rapide avec l’expansion du commerce en ligne et du modèle omnicanal combinant le commerce en ligne et dans des magasins physiques mais recèle un potentiel

d'amélioration de ses performances. Le vice-président de la Commission chargé de l'emploi, de la croissance, de l'investissement et de la compétitivité, Jyrki **Katainen**, a déclaré à ce propos: «*La Commission a répertorié des bonnes pratiques qui pourront guider les États membres dans leur action en faveur de l'innovation, de la productivité et de la compétitivité dans le secteur du commerce de détail dans l'Union. Les distributeurs européens pourront ainsi renforcer leur présence sur le marché mondial et les nombreuses PME seront soutenues lorsqu'elles s'efforcent de tirer parti de l'évolution technologique. Tout cela permettra de créer des emplois et de stimuler la croissance économique*». Elżbieta **Bieńkowska**, commissaire pour le marché intérieur, l'industrie, l'entrepreneuriat et les PME, a indiqué pour sa part: «*L'avenir du secteur du commerce de détail européen – et notre économie en général – dépend de sa capacité à mettre au point des modèles innovants et à tirer le meilleur parti des nouvelles possibilités, comme le commerce électronique, par exemple. Pour ce faire, il doit pouvoir bénéficier d'un environnement des affaires favorable*». La Commission a identifié l'établissement des commerces de détail, les restrictions au fonctionnement quotidien des magasins et les solutions pour soutenir la vitalité des centres-villes comme des domaines où les États membres peuvent agir. Vous pouvez trouver en ligne notre [communiqué de presse](#) et notre [FAQs](#) ainsi que la [Communication](#) et le [Guide](#). (Pour plus d'informations: Lucía Caudet – Tél.: +32 229 56182; Maud Noyon – Tél. +32 229-80379; Victoria von Hammerstein – Tél.: +32 229 55040)

Breakthrough discovery in cancer research funded by the EU

Researchers at the Université libre de Bruxelles (ULB), funded by grants from the European Research Council (ERC), have taken a big leap forward in cancer research. The research team led by Professor Cédric Blanpain defined for the first time tumour growth phases during cancer progression and identified the types of tumour cells causing metastases in skin and breast cancer. Skin cancer is the most frequent cancer worldwide and breast cancer is the most frequent cancer in women. Commissioner for Research, Science and Innovation Carlos **Moedas** said: “*I am extremely pleased to hear that once again ERC researchers have found a way to solve a – let me call it – research mystery. The fight against cancer is a paramount mission of the scientific community. This discovery underlines the importance of curiosity-driven research and how much it contributes to our society.*” Over the last ten years, Professor Blanpain received ERC grants worth €4 million directly supporting his work in cancer research and these breakthrough results. The findings, published by Nature magazine, show that researchers were able to identify at least seven different types of tumour cells and demonstrated that they are not all functionally equivalent and equally metastatic. This discovery will have major implications for the diagnosis, prognosis and therapy of cancer patients. See [press release](#) from the ULB. (For more information: Lucía Caudet – Tel.: +32 229 56182; Maud Noyon – Tel. +32 229-80379; Victoria von Hammerstein – Tel.: +32 229 55040)

Publication of latest agri-food trade figures: positive trade balance for the EU

The [latest monthly trade report](#) published today shows that the EU trade balance in February 2018 for agri-food products increased to a surplus of €1.7 billion, compared to a surplus of €1.3 billion in February last year. Highest increases in monthly export values were recorded for Turkey, Brazil and Singapore. By sector, the highest export growth was achieved in sugar, wine and infant food among others. When looking back at the past 12 months, EU agri-food exports reached a value of €138 billion corresponding to an increase of 4.1% in value terms. This monthly report again provides a table presenting the trade balance and its development by product category since March 2016. The largest gains in net exports were achieved in wine, while exports of wheat decreased. At the same time net imports increased most for other cereals and decreased most for cocoa beans. *(For more information: Daniel Rosario – Tel.: +32 229 56185; Clémence Robin – Tel: +32 229 52509)*

State Aid: Commission concludes Danish waste water fee system involves no aid

The European Commission has found that the reduction in waste water charges introduced in Denmark by Law No 902/2013 does not involve State aid. Under the Danish “staircase model”, an increasing discount on waste water charges is granted to larger users based on a three steps system. Following a complaint from representatives of the meat industry, the Commission assessed whether this tariff system confers an advantage to certain companies over others. In particular, the Commission looked at whether a market economy operator subject to the same pricing constraints as the Danish waste water utilities would apply increasing discounts such as those provided by the staircase model. The Commission found that keeping the larger users – typically those benefiting from the highest discount of the staircase model – as customers of the waste water treatment plants contributes decisively to the profitability of these plants. In particular, it allows them to attract the larger users capable of treating their own waste water and who, without the higher discounts, would consider leaving the municipal waste water system. Furthermore, the charges paid by these larger users still cover the costs incurred by the waste water treatment plants for the service. More information will be made available on the Commission’s competition website, in the [State aid register](#) under the case number [SA.37433](#) once any confidentiality issues have been resolved. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

14th European country to join the eHealth cooperation for data sharing to personalise healthcare

Bulgaria will become today the 14th country to sign the European Declaration [on linking genomic databases across borders](#) that will improve understanding and prevention of disease, allowing for more personalised treatments, in particular for rare diseases, cancer and brain related diseases. The signature will take place this afternoon in Sofia at the [Shaping Europe’s Digital Future](#) conference that is dedicated to High-Performance Computing. The Declaration on linking genomic databases across borders is an agreement of cooperation between the countries that are committed to collaborate to provide secure and authorised access to national and regional banks of genetic and other health data. Enhanced cooperation between Member States will help to overcome lack of interoperability and fragmentation of

initiatives across the EU, while guaranteeing highest European standards for personal data protection. This will also keep the EU at the forefront of personalised medicine globally, fostering scientific output and industrial competitiveness. The Declaration was originally launched on 10 April 2018 during the [Digital Day](#) and signed by the Czech Republic, Cyprus, Estonia, Finland, Italy, Lithuania, Luxembourg, Malta, Portugal, Slovenia, Spain, Sweden and the UK. Read more about European digital health initiative [here](#) and in our recent [press release](#). (For more information: Nathalie Vandystadt – Tel.: [+32 229 56172](#); Inga Höglund Tel.: [+32 229 55040](#))

Mergers: Commission clears acquisition of joint control over Soundwave Holdings by Spectris and Macquarie

The European Commission has approved under the EU Merger Regulation, the acquisition of joint control over the newly created joint venture Soundwave Holdings Pty Ltd by Macquarie group, both of Australia, and Spectris group of the UK. Soundwave Holdings will provide environmental monitoring services to businesses and will be a full-function joint venture operating on the market autonomously. Macquarie is active in the market of asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. Spectris, which is contributing part of its business to the joint venture, is active in the manufacture and supply of productivity-enhancing instrumentation and controls for technically-demanding industrial applications. The Commission concluded that the proposed acquisition would raise no competition concerns, given the transaction's limited impact on the market structure. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8807](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Mergers: Commission clears acquisition of joint control of NGT by StandardLifeAberdeen, Neptune and PensionDanmark

The European Commission has approved under the EU Merger Regulation the acquisition of joint control of NOORDGASTRANSPORT B.V (“NGT”) of the Netherlands by StandardLifeAberdeen and Neptune, both of the UK, and PensionDanmark of Denmark. NGT owns and operates a subsea transportation system for natural gas on the Dutch continental shelf and a gas treatment station in the Netherlands. StandardLifeAberdeen is a global investment company. Neptune is an oil and gas investment vehicle. PensionDanmark is a Danish non-profit, labour-market-related, life-insurance limited company. The Commission concluded that the proposed acquisition would raise no competition concerns because StandardLifeAberdeen, which is entering into the shareholding, is neither engaged in business activities in the same markets where NGT is active, nor in markets which are upstream or downstream to it. The relationships arising with the other shareholders have been assessed by the Commission in the past. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number

[M.8817](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

Eurostat: EU Member States granted protection to more than half a million asylum seekers in 2017

The 28 Member States of the European Union (EU) granted protection status to 538 000 asylum seekers in 2017, down by almost 25% from 2016. In addition to these, the EU Member States received nearly 24 000 resettled refugees. The largest group of beneficiaries of protection status in the EU in 2017 remained citizens of Syria (175 800 persons, or 33% of the total number of persons granted protection status in the EU Member States), followed by citizens of Afghanistan (100 700 or 19%) and those of Iraq (64 300 or 12%). The number of decisions granting protection status to Syrian citizens has dropped since 2016 (when they accounted for a share of 57% of all grants) however, they remained the largest group granted protection status in eighteen Member States in 2017. Of the 175 800 Syrian citizens granted protection status in the EU, more than 70% received protection status in Germany (124 800). A Eurostat press release is available [here](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Tove Ernst – Tel.: +32 229 86764; Markus Lammert – Tel.: +32 229 80423)

STATEMENTS

Statement by First Vice-President Timmermans, Vice-President Dombrovskis, Commissioner Jourovà on the adoption by the European Parliament of the 5th Anti-Money Laundering Directive

“We welcome the adoption by the European Parliament of the 5th Anti-Money Laundering Directive. These new rules will bring more transparency to improve the fight against money laundering and terrorist financing across the European Union. We want to thank the two co-rapporteurs, Mr Kariņš and Mrs Sargentini, and the shadow rapporteurs for their strong support and valuable expertise, which have hugely contributed to this result. With its vote, the Parliament concludes an ambitious round of negotiations initiated two years ago. In July 2016, in the aftermath of the terrible terrorist attacks that struck the EU and the vast financial dealings uncovered by the “Panama Papers”, the Commission proposed urgent counter-measures. The revised directive is part of that action plan. We can be proud of the new measures, which will substantially improve the existing rules. We are today marking an important step in fighting against financial crime. Our work is not over. Fighting effectively against financial crime requires proper implementation of these rules and strong coordination amongst the different authorities. We commit to helping all Member States put them in place and to monitor their implementation. We want all EU Member States to uphold high standards in the fight against money laundering and terrorist financing across the EU.” The full statement is available [here](#). The Commission’s proposal for a 5th Anti-Money Laundering Directive was presented in July 2016 in the wake of terrorist attacks and the revelations of the Panama Papers scandal, and is part of the Commission’s [Action Plan](#) of February 2016 to strengthen the fight against terrorist financing. A factsheet summarising the main changes introduced by the Directive is available [here](#). (For more

information: Christian Wigand – Tel.: +32 229 62253; Mélanie Voin – Tel.: +32 229 58659)

ANNOUNCEMENTS

Commissioner Gabriel in Bulgaria to discuss digital agriculture and skills at two high-level conferences

Tomorrow, Mariya **Gabriel**, Commissioner for Digital Economy and Society, will attend the conference [“Educate to Create: from Digital Consumers to Digital Creators”](#) and the [“High-Level Forum Together for Strong Digital Agriculture”](#) in Sofia to speak about EU’s efforts to improve [digital skills](#) for young citizens and support digital transformation of agriculture in Europe. Both events are organised in collaboration between the Bulgarian Presidency of the European Council and the European Commission. At 8:15 (GMT+3), the Commissioner **Gabriel** will deliver an opening speech at the “Educate to Create” conference. She will highlight the importance of fostering digital skills and related competences for young people to improve their employment opportunities and boost the economic growth in the digital era. At 9:00 (GMT+3), Commissioner **Gabriel** will give a short opening speech at the high-level forum “Together for Strong Digital Agriculture,” talking about the significance of digital technology in Europe’s agricultural sector. (*For more information: Nathalie Vandystadt – Tel.: +32 229 56172; Inga Höglund Tel.: +32 229 55040*)

[Upcoming events](#) of the European Commission (ex-Top News)

[Strengthening the competitiveness of the European retail sector](#)

The retail sector is one of the biggest sectors in the EU economy, with almost one in ten people working in over 3.6 million retail companies. The sector is changing rapidly with the development of e-commerce and multi-channel retailing, and has the potential to perform better. This is why the Commission is helping Member States and operators to overcome the current challenges by addressing an accumulation of restrictions in the retail sector.

Jyrki **Katainen**, Vice-President for Jobs, Growth, Investment and Competitiveness, said *“The Commission has identified very concrete and*

effective best practices to guide Member States' efforts in increasing the innovation, productivity and competitiveness of our retail sector. This will allow European retailers to strengthen their global presence and help our many SME retailers – often family businesses – in their efforts to embrace technological change. All of this will help create jobs and boost economic growth.”

Elżbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: *“The future of the European retail sector – and our economy at large – depends on its ability to develop innovative business models and maximise new opportunities such as e-commerce. This requires a favourable business environment. That is why we are offering advice to Member States on how best to apply EU rules and follow the example of tried-and-tested reforms in other EU countries.”*

What are the main areas where Member States can make further progress?

- **Facilitating retail establishment:** The rapid setting up of a new shop is crucial for retailers to access the market, thereby fostering productivity and innovation. By improving compliance with the [Services Directive](#), Member States can make establishment easier without putting at risk public policy interests, such as town and country planning, protection of the environment and consumers. National, regional and local authorities are encouraged to reduce undue or disproportionate burdens, making retail establishment procedures simpler, shorter and more transparent.
- **Reducing restrictions to daily operations of shops:** These may become a significant burden for businesses and affect their productivity, which is why the Commission has identified best practices on sales promotions and discounts, specific sales channels, shop opening hours, retail specific taxes, purchasing of products in other Member States and contractual practices of modern retail. The aim is to ensure a level playing field in retail as well as fair and efficient supply chains, while not restricting the freedom to pursue justified public policy objectives.
- **Adopting new approaches to promote vitality of city centres:** The Commission has also published today a [guide](#) on fostering the revitalisation and modernisation of the small retail sector. The guide gives public authorities practical suggestions on how to help small retailers embrace technological change and meet the challenges of the future. Each solution is underpinned by practical real-life examples, gathered from best practices across the EU, which can be transferred to the local setting. The guide identifies success stories from which Member States can draw inspiration for example, on how to build retail communities to help bring consumers to city-centres.

Additionally, the **Retail Restrictiveness Indicator (RRI)** provides a useful

snapshot of the state of play of retail in Member States. It helps to identify best practices as well as areas for possible reforms. The RRI is also a dynamic monitoring tool to measure Member States' efforts in reducing retail restrictions and the impact of such reforms on market performance including productivity, prices and innovation, as well as spill-over effects on other sectors.

In addition to today's guidance for Member States' reforms and priority-setting for enforcement policy in the retail sector, the Commission will continue to monitor the evolution of the relevant regulatory frameworks and economic trends.

Background

Retail is the second largest EU service sector after financial services, generating 4.5% of the value added in the EU economy and providing 8.6% of all jobs in the EU. EU households spend up to one-third of their budgets in retail shops. Retail is also a major driver for innovation and productivity. Through its interactions with other economic sectors, a better performing retail sector can trigger positive spill-over effects for the entire economy. Fewer restrictions in retail mean higher productivity in manufacturing. A more efficient retail sector can offer consumers lower prices which creates more demand and steers producers towards more innovative goods.

In the 2015 [Single Market Strategy](#), the Commission committed to address excessive restrictions on establishment of shops and day-to-day shop operations. Today's Communication on retail is the last deliverable of the Single Market Strategy. It complements other initiatives such as [proposals to make it easier for companies to sell products across the EU](#), a [Start-up and Scale-up Initiative](#), [measures to give a fresh boost to the services sector](#), measures for an [efficient and professional procurement](#) and the [protection of Europe's know-how and innovation leadership](#), steps to [enhance compliance and practical functioning of the EU Single Market](#) and the [trading of safe products across Europe](#). It also goes hand in hand with Commission's efforts to create an [EU Digital Single Market](#), in particular with initiatives on [geo-blocking](#), [cross-border parcel delivery](#), [modernisation of the VAT](#) and [digital contracts rules](#).

For More Information

[Integration of the Western Balkan countries guarantees security and stability in the region and should](#)

remain a top EU priority

EU accession remains a key motivation for reforms in the countries of the Western Balkans

The enlargement of the EU, and in particular the spread of its democratic values and legal standards to the Western Balkan region, is in the interests of both the Western Balkan countries and the EU, insists the European Economic and Social Committee in its opinion on the [Economic and social cohesion and European integration of the Western Balkans](#), adopted at its plenary session on 19 April.

“It is crucial that the accession of the Western Balkans remains one of the priorities of the EU,” said **Andrej Zorko**, rapporteur for the EESC’s opinion. *“Promoting EU values in the region guarantees security and stability, enhances social and economic development, as well as democracy and the rule of law in these countries. And this in turn means stability and security to the EU. In this process, an active role by civil society, including social partners, is of great importance.”*

Corruption, the impact of organised crime, the general weakness of state institutions and the rule of law and discrimination against minority groups are some of the problems that the Western Balkan countries are facing. Their economies continue to grow but, despite that, the six countries remain among the poorest in Europe. It is estimated that full convergence with EU living standards could take as long as 40 years. Therefore the EESC is convinced that the European Commission should develop specific programmes for faster social and economic convergence of the Western Balkans. The EESC welcomes the Commission’s new strategy for the Western Balkans set out earlier this year and is ready to engage with civil society from the region to promote specific measures in the areas of rule of law, security and migration, socio-economic development, connectivity, digital agenda and reconciliation and good neighbourly relations. Offering young people from the Western Balkans more opportunities for education and work and clear prospects for their future would also stem the brain drain and labour migration which is still a dominant issue.

“The EESC notes that the EU accession process remains a key motivation for reforms in the countries of the Western Balkans,” insisted **Dimitris Dimitriadis**, co-rapporteur of the EESC opinion. *“The EESC points out the lack of attention given to the economic and social effects of the reforms carried out, considering the major differences in people’s economic and social security between EU Member States and candidates for membership. Therefore, the EESC recommends that social, economic and territorial cohesion be assessed when evaluating the fulfilment of EU membership criteria.”*

According to the EESC, respect for the rule of law and minority rights is of paramount importance for the democratic, economic and social development of the countries of the Western Balkans. Education and a free and independent media also have a big role to play in overcoming the disputes of the past and

enhancing democratic values in the region.

The EESC welcomes the summit of EU-Western Balkans heads of states and governments, to be held on 17 May in Sofia. **Ahead of the summit the EESC will also co-organise on 15 May , together with TAIEX (Technical Assistance and Information Exchange Instrument of the European Commission), a joint civil society conference with representatives of civil society organisations from the EU and the Western Balkans under the title “Economic and social cohesion in the Western Balkans – a civil society point of view”.** The Conference is planned as an opportunity for organised civil society to contribute to the EU-Western Balkans Heads of State Summit. The EESC strongly believes that social partners and other civil society organisations, both at EU and national level, must be meaningfully involved in the entire process of the EU integration of the Western Balkan countries. It proposes that the EU institutions should consider having a functioning social and civil dialogue at national level as one of the criteria for EU membership.