



# A shopping list for Europe

Towards a better European shopping climate



**Detailhandel**  
Nederland

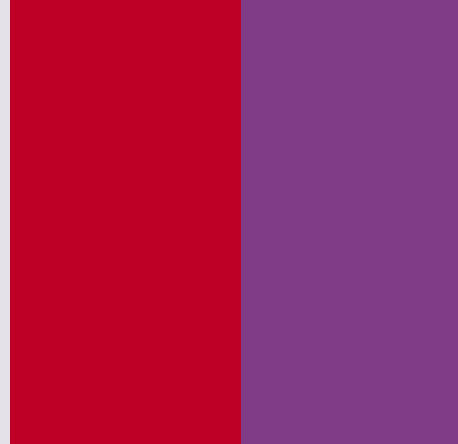




# A shopping list for Europe

# Contents

Foreword	7
The importance of a flourishing retail trade	8
Recommendations for a healthy retail climate	12
Policy priorities	16
Colophon	23





## Foreword

### **A list of priorities for Europe**

2014 is a European election year. In May 2014 voters will express the type of Europe they want. The best choice is one that contributes to a better retail climate and flourishing retail trade in the Netherlands.

After the elections, the newly elected MEPs and the newly compiled European Commission will draw up their work plans in which they announce their policy priorities for the next five years.

In this edition, Detailhandel Nederland will present its positions and proposals for good work plans which can be used by European politicians. These positions contribute to a healthy climate in which retailers can do business as good as possible and consumers can acquire the most varied range of products at the best price.

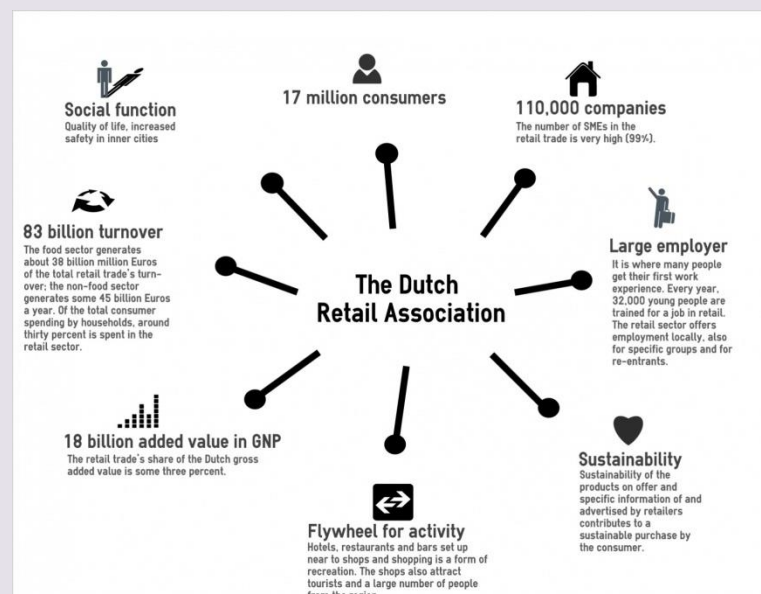
Detailhandel Nederland has looked at the bottlenecks and opportunities for growth in policy and legislative initiatives at European level. Based on this we have drawn up lists of priorities that the Dutch representatives in European politics can use to purposefully make the right choices. The list has been compiled in such a way that it serves as a constant reminder of what retailers in the Netherlands really need. We ask that policymakers take this into account when drafting or amending legislation at European level.

Patricia E.H. Hoogstraaten

Chairwoman of the Europe Committee of Detailhandel Nederland

## The importance of a flourishing retail trade for our economy

Retail trade is one of the most important sectors in the economy of the European Union and it plays a major role in stimulating growth and employment. This is confirmed by the European Union's long-term strategy for a strong and sustainable economy with a lot of jobs (the Europe 2020 strategy). This strategy must ensure that the European economy develops into a very competitive, social and sustainable market economy.



A flourishing retail sector and a healthy retail climate for consumers and retailers is what the Netherlands needs. The retail trade provides an affordable, accessible and wide range of consumer goods, including the primary necessities of life. It is important to have shops close to home. The retail trade plays a major role in the quality of life in neighbourhoods, cities and the countryside. Where there are shops nearby, citizens' perception of safety is considerably better. Thus the retail trade is an important partner of the police, (local) governments and judiciary when it comes to safety and the local environment. A safe retail climate leads to less damage to society, less impoverishment, stronger social cohesion, more enterprise and better employment.

The sector has an important labour market function. It is where many people gain their first work experience. About half of the employees in the retail trade are under the age of 25. Every year, 32,000 young people are trained for a job in retail. The retail sector offers employment locally, also for specific groups and for re-entrants.

What is more, the retail trade is a flywheel for other activity. For example, hotels, restaurants and cafes set up near to shops and shopping is a form of recreation. The shops present also attract tourists.

Finally, the retail trade plays a significant role in sustainability. Sustainability of the products on offer and specific information from and advertising by retailers contributes to sustainable purchasing by the consumer. Although retailers like to take the lead with sustainable products, this does not alter the fact that in the end it is the consumer who determines the range of products. That is why retailers also invest in the energy performance of their own shops and in processing packaging, electronic and electrical waste and batteries.

### A sector subject to change

During the past few years, the European retail trade has been confronted with drastic changes. The rise of e-commerce (Internet) and m-commerce (smartphones and tablets) is driving many 'classic', physical shops to change into omni-channel retailers that combine a physical shop with a website and new distribution models such as offering home delivery of parcels or pick-up points.

E-commerce offers opportunities for retailers to grow and do more cross-border business. The number of websites linked to physical shops (clicks and bricks) is rising. The arrival of a growing number of web stores and the integration of online sales into the physical shop (omni-channel) is expected to keep increasing in the future. This does require appropriate policy at European level to stimulate this growth and remove existing trade barriers.

In addition to online sales, online orientation on sales plays a major part. For many products, consumers first look around online, where they assess price and quality. That transparency also puts pressure on the price in the physical shop environment. So the Internet's impact goes further than just online purchasing; that is only one of the results of a decision to buy that consumers take with the aid of the Internet.

The economic crisis and the fall in consumer confidence have hit the retail trade hard. Since the beginning of the crisis, the retail trade has been faced with a contraction. This has led to many shops closing, vacant stores in shopping areas and the loss of jobs.



Product and supply chains are becoming ever more complex, whilst the demand for information about products increases. The reactions that we have seen from policymakers include, for example, the proliferation of traceability rules that differ depending on the product.

The open borders within the European Union and an expanded Schengen zone and European Union also bring disadvantages. Retailers in the Netherlands and other European member states are increasingly confronted with nuisance caused by itinerant gangs. These groups that wander around Europe commit many crimes during a short period of time such as robberies, shoplifting, ram raids, etc. Each year, the damage caused by these groups leads to an enormous financial loss for retailers.

In short, the retail trade is subject to many changes. The aforementioned issues require action and reaction at European level. It is up to policymakers and politicians in cooperation with the retail trade to guarantee that retail has the best possible context to operate in that also stimulates economic growth.

**There are opportunities to promote growth in a European collaboration, but a lot has to be done in order to make full use of these opportunities**

Since 2012, the European Commission has set up a strategy - in the form of the European Retail Action Plan - to improve the competitiveness of the retail trade sector and strengthen its economic, ecological and social performance. During the next few years the sector in cooperation with the European Commission must focus on fully executing this strategy. For the Dutch retail trade it is important that the European Union and the member states get to grips with the sector's bottlenecks. There are a number of important points that we would like to draw attention to:

***A just and proportional division of responsibility***

The retail trade is the last link in the supply chain and is in direct contact with the end user: the consumer. As a result of this unique position in the chain, the retail trade is often burdened disproportionately with implementing measures with regard to food and product safety, providing information, etc. Naturally the retailer is prepared to shoulder his responsibility, but we must be aware of the constant pressure to burden the retailer with all the responsibility for the execution of such measures, where this should in fact lie with the manufacturers or should be shared amongst all the links in the chain.



A better balance also needs to be found between the end and the means. For example, consider the recently adopted regulations about the import of wood and the performance of construction products. As the link between suppliers, producers and consumers, the retailer has to introduce costly and time-consuming procedures that are out of all proportion to the intended goal of the measures.

***The retail reflex***

We ask all European policymakers to develop a retail reflex. In case of amended or new legislation, the impact of the proposed legislation on the various distribution channels, both big and small, must be thoroughly considered. If the retail trade threatens to be disproportionately burdened with new administrative burdens or costs, the proposal should be changed or even withdrawn.

## Recommendations for a healthy retail climate

### Strengthen the Internal Market and harmonise consumer policy

A completed internal European market is necessary to remain competitive in the world and to create an optimal environment for entrepreneurs and consumers by offering as broad a selection of goods as possible at the best price and service. It must be possible to freely organise our trade relations and not have them dictated by European legislation that intervenes in the free market and price making. Maximum retention of the freedom to enter into contracts, within the legal frameworks, must be guaranteed and not impeded by protectionist measures or excessive government intervention.

The government must now take action and draw up an ambitious regulatory burden agenda to remove impediments in European legislation to free movement, its national implementation and the enforcement of these rules. Recurring topics on the agenda include equal commercial establishment legislation and uniformity of regulation in the area of consumer protection and privacy.

Measures to protect consumers and provide information, such as labelling, must be in proportion to their intended usefulness. The responsibility for this type of measure must be shared over all the players in the supply chain and not be placed primarily on the shoulders of the retailer.

More use should be made of new technologies for certain product information that it is compulsory to give consumers. With the rise of for example the Internet (e-commerce) and smartphones and tablets (m-commerce), information can also be communicated to consumers in other ways than via the label on a product.

The European payment system must be cheap and safe. The Dutch system, with low tariffs for debit card transactions, should serve as an example for other European countries. It should also be applied to credit card payments and the astronomical fees that Dutch retailers have to pay credit card companies for processing payment transactions should be curbed urgently.

Entrepreneurs and the European Commission should cooperate to draw up a programme in which we harmonise as many technical standards as possible. Every product that is available on the European internal market and meets the European safety requirements must be permitted to be sold in another member state. Where there is no harmonisation

of standards, mutual recognition of products must be the practice, unless there are explicit, justified reasons for not doing this (for example, in the case of electrical appliances that are adapted to different electrical systems).

Member states must respect the rules of the European market and not randomly raise additional packaging requirements, product tests or other barriers that hinder the free trade of products. This means that if a member state still proceeds to unilaterally introduce an additional requirement that impedes trade (implementing national legislation in excess of that required by the underlying EU legislation), the European Commission must immediately act and start infringement proceedings. This is the only way to counter the practice of protectionist measures within the EU.

From a European perspective, the Netherlands has a competitive retail sector with a relatively low price level and a fairly high level of service. This means that there are opportunities for exporting this kind of service. Cooperation within the Benelux, including German North Rhine-Westphalia, is relevant for Dutch retailers. Creating one Benelux retail market by removing obstacles to cross-border sales and improved coordination of the implementation of European directives leads to more competition and thus to more innovation, a more varied offer and sharper prices.

### Stimulate an omni-channel retail policy

Increase in scale and the rise of online shopping have created growth opportunities on the European internal market for the Dutch retail trade. Although consumer spending in various parts of Europe is currently falling, there are still many areas where consumer spending is on the rise, such as in Eastern Europe. The turnover that was achieved online in 2000 was only 0.3 percent of the retail sector's turnover. In 2025 the turnover achieved online is expected to rise. In its Digital Agenda, the European Commission has drawn up e-commerce targets for 2015. An important target is that 20 percent of consumers will then make cross-border purchases online.

The existence of a number of barriers, implicates that there is still insufficient evidence of one internal market for retailers. Consumers experience barriers when making cross-border purchases within the EU. For example, it is unacceptable that a retailer has to have 28 different websites with 28 different conditions and regulations to sell his products in all 28 member states.



The current figures for online sales within the EU emphasise the fragmentation of the internal market. Cross-border, online sales are only increasing slowly and in 2013 just 10 percent of European consumers make cross-border online purchases.

Since cross-border e-commerce is accompanied by so many additional costs in order to comply with consumer legislation and contractual obligations in the various member states, the economic growth potential of cross-border e-commerce remains largely unused by retailers.

The growth of e-commerce and m-commerce actually can be stimulated if policymakers make an effort to create a level playing field for all the channels. All the sales channels have pros and cons and must be treated equally. The development of omni-channel sales channels (shops that have both an online and an offline store), will make the difference between physical shops and purely online shops less and less visible. European policy must reflect this development and a coherent European omni-channel policy must be developed.

The European Commission must take action to increase competition within the parcel delivery services. The consumer's confidence in online shopping must also be increased; for example by means of harmonised contracts and warranty periods and making affordable and safe payment systems available.

#### European opportunities for sustainability

European retailers hold a key position in the promotion of more sustainable consumption through their own action, their partnerships with suppliers and their everyday contact with European consumers. The sector is already actively working to advance the sustainability of the retail chain a step further. The point of departure of the EU's policy and regulations must be that sustainable products and consumption are the shared responsibility of all the stakeholders in the chain and the consumer.

A realistic European sustainability policy must be developed for the product environmental footprint. Instruments for sustainability in the sector on a voluntary basis offer added value in this. When considering environmental legislation it must be result-oriented, based on a clear understanding of the consumer's practices and preferences and of the practices of all kinds of companies - big or small. The retail trade's important input in the sustainability of the supply chain must be stimulated and valued.

It is vital to help companies invest in more sustainable equipment, buildings and supply chains to reduce production emissions. Often this can be achieved by means of voluntary and commercial measures or with fiscal incentives instead of regulations.

For the consumer, education is required to change a way of life and behaviour to support changes in consumption. Targeted information, green marketing, incentives and advertising by retailers contribute to sustainable purchasing by the consumer, taking into account the fact that the retailer can only inform and entice the consumer but not force him.

In the shopping lists below, Detailhandel Nederland has identified important points relating to strengthening the European internal market and consumer policy, reducing the regulatory burden for entrepreneurs, stimulating an omni-channel retail policy, tackling cross-border retail crime and supporting the further sustainability of the sector.





# Policy Priorities

## Strengthen the European Internal Market & Harmonise Consumer Policy

- We need access to cheap and safe European payment systems, both online and offline.
- The European Retail Action Plan must be further executed in full.
- Strict implementation of EU directives must be applied, with minimum interpretation differences. Differences in implementation or enforcement at member state level nurtures unfair competition and price differences. This also means powerful action by the European Commission to overthrow national trade barriers that conflict with the internal market legislation.
- The insufficient harmonisations of warranty periods must be tackled and set at a European average of 2 years.
- Making purchases inside the EU and outside the EU, such as in China, must receive equal treatment (fiscal, legal). EU safety regulations must also be enforced for imported products.
- Tackle the use of territorial supply constraints. This prevents producers from dividing up the market and preventing retailers from making their purchases across European borders or even making parallel imports. In fact, with their shops retailers are forced to make purchases from the sales office in their country of a specific product, whilst there are significant price differences between national markets. This is contrary to the internal market legislation.



- Promote the mutual recognition of products and tackle the existence of different technical standards that prevent goods from being sold outside their domestic market. Consider fire safety rules for furniture and electrical standards.
- The European Commission must bring clarity and simplification to the various existing instruments for entrepreneurs such as the Centre Network, Enterprise Europe Network, Your Europe, SOLVIT and Points of Single Contact. These instruments are not very well known, create overlaps and as a result confuse rather than clarify.
- Make fiscal differences between the EU member states as small as possible.
- It must be made easier to post retail employees to other EU member states, for example when specific knowledge is required for a short period of time or a new shop has to be set up.
- The Retail Market Roundtable of the Committee on the Internal Market and Consumer Protection of the European Parliament must be supported as a platform where retailers and policymakers at European level can get in touch and discuss developments in the retail trade.

### Reduce the regulatory burden for entrepreneurs

- No goldplating on proposed European legislation. So no double inspections by both national and European institutions, unless there is evidence of abuse.
- No legislation where self-regulation is a better instrument to achieve the intended result. This above all applies for subjects such as sustainability and improving trade relations between the various links in the chain.
- The proliferation of traceability regulations for various products must be curbed. The execution of traceability regulations must be financially feasible. As far as possible, traceability regulations must be harmonised and coherent.
- The European Commission must actively and explicitly support the voluntary initiative for tackling unfair trade practices for the supply chain, give the initiative two years to be able to develop and during that period refrain from taking legislative initiatives in this area.
- Mutual recognition of products: a product that is approved by the Dutch Food and Consumer Product Safety Authority and may be sold on the Dutch market must not be excluded by another EU food authority unless there are legitimate reasons.
- Compulsory labelling requirements must be kept to a minimum and must only contain essential and scientifically justified information that is meaningful to the consumer. Alternative information sources should also be permitted.



### Stimulate an omni-channel retail policy

- Regulations must be made e-commerce proof to avoid unfair competition. Not only between member states, but also between physical and online shops. Consider consumer rights, taxation (VAT processing), labelling and packaging requirements and environmental legislation (for example, European waste collection requirements).
- Information must be provided by the European Commission about how you can comply with national regulations in other member states. Information that retailers need to be able to sell their products across the border must become available in one place. This for example concerns information about consumer legislation, VAT systems, labelling and packaging requirements, environmental requirements, etc.
- The European Commission must help to streamline good information flows about products for the European consumer to thus promote confidence in the safety of online sales.
- The European Commission must take the necessary initiatives to create an efficient and affordable parcel delivery system. Prices must be based on actual costs and not on whether national borders are or are not crossed. Barriers that prevent accurate and timely, cross-border delivery must be removed.
- The European Commission must develop guidelines that can be used to identify reliable comparison sites. A quality label must also be created for this kind of website and other websites by reliable online merchants, linked to an effective monitoring system that guarantees the value of the quality label.

### For the further sustainability of the sector

- EU policy, legislation and regulations must focus on setting challenging targets but leaving room for diversification and innovation of the entire chain as described in the Retailers' Environmental Action Programme.
- Regulation - such as labelling requirements, environmental requirements with regard to the product/service ecological footprint and the collection of discarded products - must depart from shared responsibility, low administrative burdens and limited additional costs.
- Proposals by the European Commission to make it compulsory for selected priority categories of products to achieve a certain environmental performance must be rejected.



### Tackle cross-border retail crime

- The police and judiciary in EU member states must cooperate closer to tackle itinerant gangs.
- Member states must introduce a European criminal record which can serve as a potential deterrent since the perpetrators of crimes committed in a country other than their own will still be confronted with the consequences.
- The traceability of stolen goods within the European Union must be increased, for example by setting up a website for the entire European Union where the serial numbers of stolen goods can be registered. Buyers of second-hand goods can check the website to see whether the goods are stolen.

# Colophon

## **About Detailhandel Nederland**

Detailhandel Nederland represents the collective social and economic interests of the retailers. The aim is to create the perfect climate for retailers to do business in the best possible way. Thanks to their cooperation in Detailhandel Nederland, small and medium-sized firms (SMEs) and chain stores can present one position together. This strengthens the representation of the retail trade vis-à-vis the Dutch and European authorities.

## **The Dutch retail trade**

Almost 700,000 people and 110,000 shops work in the Dutch retail trade. This makes the retail trade the biggest employer in the Netherlands. In 2012 the retail trade achieved a turnover of around 83 billion Euros. In the entire European Union around 31 million people work in the retail trade, in 6.2 million companies with a total turnover of about 2,273 billion Euros.

## **Lobby and communication**

Detailhandel Nederland is the spokesperson of the retailers in the Netherlands. Consultation with the government and other consultative structures ensure that the retailers' voice is heard.

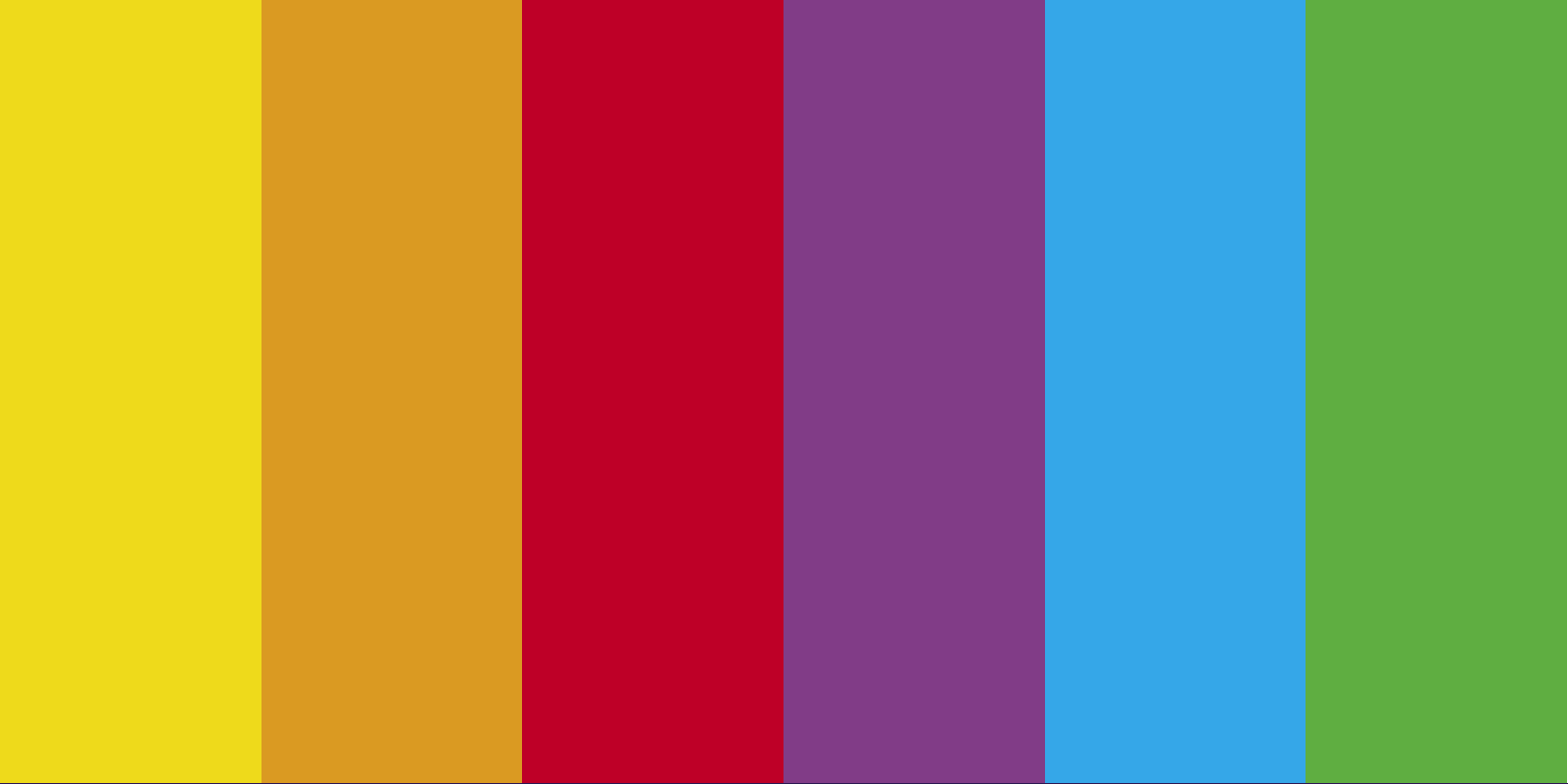
## **Detailhandel Nederland**

For more information:

Margriet Keijzer

T 0032 2 732 49 41

[www.detailhandel.nl](http://www.detailhandel.nl)



**Detailhandel**  
Nederland

[www.detailhandel.nl](http://www.detailhandel.nl)