

Position of the Dutch Retail Association – Detailhandel Nederland – on the consultation of the European Commission on the Public Consultation on "The urban dimension of EU policies – key features of an EU Urban Agenda"

The Dutch Retail Association represents the Dutch council for SME-retailers (MKB-Nederland) and of large retailers (Raad Nederlandse Detailhandel).

Registered as interest representative: nr 22232504133-92

Please find hereunder the reaction to the part of the aforementioned consultation we found most relevant for the Dutch retail sector.

1. What are the main rationales for an EU urban agenda? Where can EU action bring most added value? What elements of urban development would benefit from a more concerted approach between different sectors and levels of governance?

The retail sector is an economic sector that is operating literally at the heart of Europe's cities and towns. The economic and social development of our cities and towns are closely intertwined with the developments that are taking place in the retail sector. We have identified in this position paper topics which pose severe challenges for our towns and cities. Although our input is mainly based on our experiences in the Netherlands, we hear from our companies that are active throughout the European Union, that all member States are facing the same challenges as we do. Therefore, a concerted European effort in approaching these challenges is in our view, desirable. We believe that in dealing with horizontal policy issues, the European Commission should simultaneously look at the impact of those policies on developments of cities and towns. The European Commission has recently announced its increased focus on horizontal policies like the digital Agenda. The retail sector welcomes any measure that helps us take full advantage of the economic potential that the developments of omnichannel sales has to offer. We insist however, that the effects of this retail transformation on the viability of shopping areas in our cities and towns should be adequately addressed in these policies.

We recommend that the following topics are included in an European Urban agenda since the involvement of cities and towns are essential in finding the right policy tools to address these challenges:

- The digitalisation of retail and its spatial consequences on cities and towns
- Urban transport

We have further explained these 2 topics under Question no 2.

2. Should an EU urban agenda focus on a limited number of urban challenges? Or, should an EU urban agenda provide a general framework to focus attention on the urban dimension of EU policies across the board, strengthening coordination between sectoral policies, city, national and EU actors?

We believe the EU urban agenda should address the following important issues;

- **The digitalisation of retail and its impact on cities and towns**

The Dutch retail structure is internationally recognised for its intricate structure. Shopping areas in the Netherlands come in all shapes and sizes: historic towns and village centers, shopping arcades and large-scale retail establishments in the periphery. The Netherlands is the country with the largest retail density in Europe. Since the 1960s we went from 11 to 16 million inhabitants and the square footage of retail space quadrupled. In addition to the huge increase in retail space, the average floor productivity (revenue) per square meter of floor space is reduced by approximately 25% compared to the year 2000. Recent research by Q & A Research and Consultancy (2014) shows that in 33 municipalities in the Netherlands (403 in total) store vacancy is already above 10%.

In 2013, more than 5 billion of sales is done through the Internet. New businesses have developed which specialise in offering and taking orders via the internet and through distance selling.

This is 6% of the total retail sales. The turnover of online retailers grew rapidly in recent years. We can conclude however, with consideration of total retail sales, there is a huge growth potential for online sales. Based on the expectation that the transition towards omni-channel businesses will further develop, the sector envisages that even more traditional brick-and-mortar shops will disappear, and less retail square footage is needed in the future.

We welcome the digitalisation and support initiatives that stimulate these developments. At the same time we insist that consequences of this increasing digitalisation need clear policy guidance. The revitalisation of our highstreets in cities and towns is one of the most important challenges we urgently need to address. Measures are needed to support shops to adapt to the digital age. Simultaneously, shopping areas without a viable future should be reoriented towards other spatial functions, in order to gradually reduce the retail floor space.

By 2020 retail will have changed dramatically – driven by consumer demand and by technological advances – irrespective of any policy direction. Among the changes relevant for local policy-makers are:

- Increased retail vacancy, bringing about social, economic and personal safety concerns in highstreets;
- A requirement for different types of jobs and skills;
- Greater focus on sustainability and resource efficiency;
- A different physical footprint in towns and cities driven by consumer choice in accessing new forms of retail;
- A need to address the needs of a growing number of ageing consumers;

Increased store vacancy negatively influences the adjacent shops and has a snowball effect on viability of shopping areas. It is a challenge for both public and private parties to develop a good spatial planning where existing retail space is used as much as possible and while new initiatives continue to be supported (or continue to be possible).

Detailhandel Nederland emphasises the importance that governments should strengthen the existing retail structure for the sake of public interest. In addition, sufficient space should be provided for new developments and innovation. In general and in the long term, the industry expects that much less retail space is needed. Governments need to anticipate to these developments and adapt their policy in order to avoid social harm, such as deterioration of the viability of life in cities, towns and rural areas.

It's a challenge for municipalities and provinces to make 'the successful marriage of a competitive retail sector with fair and sustainable development of cities, towns and rural areas'. We need more

governmental (including the national government) decision-making power, vision and shared knowledge to make the Dutch retail structure future proof. A good implementation of policy on commercial establishment is crucial.

Please find [here](#) the position paper of Detailhandel Nederland on commercial establishment in the Netherlands

Detailhandel Nederland published in February 2014 a report 'Shopping Area of the Future'. The report describes the trends and developments that are transforming our shopping areas. It offer an analysis of the stakeholders involved, their different roles and interests, and it offers specific policy instruments that could positively influence the future of our inner cities-and towns. This report is the result of a successful research cooperation between (national, regional and local) governments and industry partners (real estate, spatial developers, estate agents and retailers) Please find the report [here](#) (only available in Dutch)

DIGITAL ADMINISTRATION AND E-SKILLS IN GOVERNMENT

The private sector does not operate in a vacuum. It would not make sense to move at accelerated speed towards a digital economy, if public administrations still function with papers and a physical infrastructure only. It is essential that businesses are able to operate their business processes with public administrations (tax returns, VAT returns, product information and permit filings,...) online. There are huge differences in digital literacy and digital administration between Member States. The EU could help close this digital divide. The EU needs to help close the digital divide between Member States with high-level of digital literacy and digital administrative processes and those with low-levels.

- **Urban transport (text based on Eurocommerce position paper: commerce on the move)**

Retailers are constantly looking for alternative solutions and more environmentally friendly technologies. Support and incentives from public authorities to encourage a wider take-up of cleaner vehicles in city centres is welcomed. It should be noted however, that strong coordination at national level is needed. What we see happening in the Netherlands is that cities develop their own different regional environmental rules for reducing CO2 emissions from trucks allowing deliveries only to take place between certain hours. Due to different restrictions in different cities the result is that retailers that deliver in different cities now need to put more trucks on the road in order to be compliant, defeating the purpose of reducing co2 emissions.

A greater focus and political commitment from policy-makers is needed to address issues relating to urban freight logistics. The development of passenger transport has been a key priority for EU transport policy and the commerce sector asks that the same consideration is given to the movement of goods in urban environments.

Moving and delivering goods in high-density urban areas efficiently is a key challenge for the commerce sector. Inadequate infrastructure, congestion and access restrictions are just some of challenges hampering efficient logistics operations in city centres. While the commerce sector supports the development of all modes of transport (railways, roadways, maritime, etc), it also recognizes that roadways continue to be the most efficient, reliable and available option for last mile deliveries.

Particular attention should therefore be paid to ensuring that the road infrastructure in city centres is suitable for delivering cargo. Too often, retailers have to cope with impractical structures (low bridges, narrow streets, passageways and roundabouts) which hamper efficient deliveries, thus blocking the traffic and inevitably causing congestion. To address these issues, the commerce sector is working on improving load factors, reducing empty miles through backhauling, minimising fragmentation of urban freight deliveries and pooling deliveries for different retail and wholesale companies – including for SMEs.

Companies are also switching to cleaner technologies when possible, and promoting a wide range of good practices to ensure timely freight delivery.

Retail companies such as Royal Ahold have fleets of cleaner and more environmentally friendly vehicles such as electric vans and hybrid vehicles at their disposal, which they use when relevant. The promotion by public authorities of ‘off-peak deliveries’ is also crucial to increase efficiency of logistics operations. To avoid congestion at peak-times, commerce companies spread their deliveries throughout the day, and retail companies have voluntarily introduced or started testing night-time deliveries at local level – with great success.

Practical aspects of freight distribution must also be addressed. Deliveries to small shops and supermarkets in urban areas suffer from a lack of parking spaces for loading and/or unloading. These parking areas are sometimes taken by illegally parked private vehicles and action is necessary to ensure their optimal use.

Recommendations

Loading and unloading areas should be introduced more widely in city centres, and subject to adequate enforcement. This requires political commitment as well as improved cooperation between local authorities.

Introducing a EU-quality label/certificate for ‘quiet equipment’ (for night-time deliveries), as already exists in the Netherlands, is supported by the commerce sector.

Public-private cooperation and partnerships in developing and maintaining consolidation and distribution centres should be encouraged, as using these local hubs can significantly boost the efficiency of deliveries to city centres (particularly for parcel delivery).

The European Commission’s willingness to find solutions and address industry concerns is welcomed, but close cooperation with stakeholders is essential. An advisory group, with a strong focus on supply-chain management and logistics could be set up, with representatives from Member States, and stakeholders organisations, to address unanswered questions relating to e-commerce and parcel delivery.

3. Is the European model of urban development as expressed in "Cities of Tomorrow" a sufficient basis to take the work on the EU urban agenda further?

4. How can urban stakeholders better contribute to the policy development and implementation processes at EU level? Do cities need to be more involved in policymaking at regional, national and EU level? How?

Cities, towns and local governments are important partners for the retail sector in creating the optimal context in which our entrepreneurs can run their businesses. The challenges that we are faced with in the Netherlands, are not unique. Throughout the European Union similar developments are taking place in our highstreets, affecting cities and towns. We therefore believe that an exchange of best practices at European level, together with a coherent European framework of support to tackle these problems, are desirable.

We support the idea that cities and towns should be involved in policy discussions around sectoral policies that affect them or that rely on their implementation. We do want to note, that where cities have responsibilities, there is a harmonised approach between cities in order not to increase administrative burdens for companies operating in different cities.

5. What are the best ways to support a stronger urban and territorial knowledge base and exchange of experience? What specific elements of the knowledge base need to be strengthened in order to better support policymaking?

Actions of public-private partnership should be promoted at European level to bring together public institutions and economic organisations in the regions to cooperate on for example; improving the attractiveness and safety of high streets or shopping areas in cities and towns.

6. What should be the roles of the local, regional, national and EU levels in the definition, development and implementation of an EU urban agenda?

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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 are working in 110,000 shops in the Dutch retail trade. This makes the retail trade the biggest employer in the Netherlands. In 2013 the retail trade achieved a turnover of around 96 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. In the European context, Detailhandel Nederland is a member of EuroCommerce.

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