

## Summary report

### Meeting of the High Level Group on Retail Competitiveness

Brussels, 20 January 2014

Mr Pierre DELSAUX, Deputy Director General of DG Internal Market and Services chaired the meeting.

#### 1. Introduction by Commissioner Barnier

Commissioner Barnier opened the meeting. The Commissioner's statement is available here: [http://europa.eu/rapid/press-release\\_SPEECH-14-25\\_en.htm?locale=en](http://europa.eu/rapid/press-release_SPEECH-14-25_en.htm?locale=en).

#### 2. Challenges for Retail Competitiveness/Lessons learned from the European Retail Action Plan

DDG Pierre Delsaux stressed the importance of the High Level Group ("HLG") as part of the overall strategy set out by the Commission with the adoption of the European Retail Action Plan ("ERAP") in order to improve the competitiveness of the sector. DDG Delsaux mentioned as potential issues for discussion in the HLG:

- i. innovation (challenges and opportunities for retailers; specific barriers to innovation in this sector)
- ii. e-commerce (challenges and opportunities; impact on brick-and-mortar retailers)
- iii. territorial supply constraints (particularly their impact on the development of the Single Market)
- iv. internationalisation (challenges for European retailers)

DDG Delsaux invited the participants to comment upon these proposed topics as well as to raise any other topics they consider of interest for discussion in the HLG.

The members welcomed the areas identified in ERAP and also mentioned some other topics. The themes of the discussion were:

##### 2.1. E-commerce

The members of the Group underlined the significant potential for growth of e-commerce. The diversity of national rules affecting e-commerce's functioning is perceived as a barrier to its development.

The members stressed the necessity to develop a "multi-channel" strategy for e-commerce and brick-and-mortar retailing: both should be seen as part of the same continuum.

The members also raised specific aspects related to SMEs' challenges to adapt to this evolving digital environment.

## 2.2. Sustainability

The members of the HLG mentioned sustainability as a key issue for the sector. They underlined that retailers and manufacturers need to closely cooperate with each other on this topic. It was also mentioned that sustainability should be understood in a broad sense, going beyond environmental issues.

## 2.3. Employment

The members underlined that the sector could potentially contribute to create more jobs in the EU. It was pointed out that the creation of more jobs should go together with the creation of quality jobs. Moreover, in order to adapt to a challenging and evolving business environment, the sector needs to reflect about solutions for attracting employees with the right capabilities and skills to face these challenges.

## 2.4. Internationalisation

The members see competition from outside the EU as one of the main challenges the EU retail sector is facing. The importance of giving attention to the retail sector in the negotiation of international trade agreements (e.g. the on-going negotiations with the US) was stressed.

## 2.5. Consumer information

The members of the HLG pointed to the need for transparent consumer information (e.g. price information). Some concerns were expressed about the appropriate functioning of certain "price comparison" tools available on the internet. The members stressed that the impact on the EU retail sector's competitiveness should be part of the reflection in the EU legislative process.

Based on this first discussion, the following themes were considered as meriting further attention:

- E-commerce
- Sustainability (in a broad sense)
- Internationalisation
- Innovation
- Territorial Supply Constraints
- SMEs

### **3. Working Methods of the Group**

The members of the Group agreed to work on some specific themes in sub-groups. Each sub-group could present a paper as the basis for further discussion on the particular issue.

It was agreed to arrange the next meeting in the summer (June). In this respect, it was suggested that this could possibly take the form of a seminar.

A third meeting should take place before the end of the year (most probably in November).

### **4. Retail Sector Innovation**

Professor Reynolds, Chair of the Expert Group on Retail Sector Innovation presented the report of this Group and asked Members for their comments notably on the following questions:

1. Are there issues/trends in retail innovation which would have benefited from more attention in the report?
2. How do they see the priority actions for follow-up in the report?
3. How can innovation best support SMEs?

The members mentioned as priority actions those linked to the need to increase the awareness of the retail sector as being innovative and those linked to funding (especially for SMEs).

Close cooperation with universities and research laboratories was mentioned as a way to contribute to enhancing innovation.

The question of setting up a European network for innovation in the retail sector was raised. This could facilitate the exchange of information among companies and be beneficial to all stakeholders, and particularly to SMEs.