



Mr Thierry Breton  
Commissioner for Internal Market  
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Brussels, 3 July 2020  
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**Subject: Strengthening fair competition in the European retail sector in the Covid-19 crisis context**

Dear Mr Breton,

UNI Europa Commerce is the European workers' union for the retail and wholesale industry, representing more than 60 European trade unions. Retail is a key sector in the EU economy – there are about 3.6 million companies active in the retail sector, in the retail sector, accounting for 4.5% of value added tax and representing almost 9% of EU jobs". The 3.6 million companies active in the retail sector are mainly SMEs interacting with several other economic sectors. SMEs generate 66% of the retail sector's value.

Covid-19 might result in the biggest economic contraction since World War II, hitting every sector, but retail in particular. With its recovery plan outline, the European Commission has recognised the need for large-scale intervention. We outline key asks that it must integrate into this plan in order to ensure fair competition based on the universal respect of workers' individual and collective rights.

The crisis has shown that good social dialogue and collective bargaining make economies, sectors and companies more resilient. We should use moving to the new normal to reinforce collective bargaining and social dialogue.

UNI Europa fears that the crisis will hit weaker companies very hard, those companies that were already struggling before the pandemic. We have already noticed an increasing share of bankruptcies in the sector across Europe and this is just the beginning. This might result in a massive wave of consolidation, mergers, acquisitions, and insolvencies. The relationship between traditional retail and online retail needs to be balanced to avoid monopolies and ensure fair competition.

A strong dynamic and competitive retail sector is important for workers, consumers, businesses and **has an important positive impact on the entire European economy.**

The rapid growth of e-commerce during the crisis has transformed the sector. E-commerce has become a fact of life for most EU citizens. This brings both new opportunities and new challenges for the sector. Social distancing and lockdowns have elevated digital capacity as an urgent priority, companies must scale up and strengthen their digital capabilities in the recovery phase of the crisis to avoid suffering in the longer term. Public authorities should facilitate the adoption of digital technologies on the part of small enterprises.

Small enterprises need a roadmap to accompany this process in the context of the digital transition, with appropriate funding and a focus on small and micro enterprises.

As the Commission already pointed out in their communication - **A European retail sector fit for the 21st century** “*e-commerce could be a significant option for many SMEs*”. This has been confirmed during the crisis. So too has the need for better regulating platform-to-business relations in the digital market. There must be transparency and fair competition between commercial users and big online platforms. For this reason, UNI Europa recommends that the Commission creates a level playing field with regard to fair competition in the digital market.

We also must take into account that e-commerce expansion and changing consumer shopping habits will affect retailers' presence in city centres. As the number of vacant shops might increase, we must bear in mind that keeping city centres vibrant is a legitimate concern for European, national, regional, and local authorities.

UNI Europa expects a diversity of experiences of the recovery period. This will notably depend on the different rates of return of consumer confidence, based on the speed and effectiveness of government support and how severely the country has been hit by the pandemic. It will take time to reach the new normal. UNI Europa stresses that the re-opening of physical retail does not mean business returns to “normal”; financial uncertainty arising from the crisis will continue for a long time.

It is essential not to forget the impact of Covid-19 on gender equality. The gender perspective should not be forgotten when it comes to making important decision during and after the pandemic that will affect the lives of every citizen. Especially since the Commerce sector is a woman-dominated sector with a high number of women working part-time.

**The retail sector deserves attention and analysis.** Efforts are needed by the EU institutions and Member States to support the fair competitiveness of the sector at a time when the consequences of the crisis are uncertain and far-reaching.

In addition, a stronger retail sector can offer additional employment opportunities. More and better jobs would be created not only in retail but also in all the supporting services.

We highly welcome the EU's and Member States' efforts to provide administrative and financial support to workers and businesses suffering from the Covid-19 crisis.

**UNI Europa urges the European Commission to acknowledge that the sector is in a critical situation and in need of several financial rescue programmes.** The Commission and Members States must make sure that small businesses (such as microenterprises) can also easily access and benefit from financial support.

We urge the European Commission to put forward a proposal for a wider economic package for retail recovery to benefit all workers, including those with non-standard forms of employment, as well as players of all sizes.

To address these concerns, we ask the Commission to:

- coordinate the EU budget with the decision adopted at national levels to guarantee credit access and financial support for enterprises, especially all types of SMEs, affected by the lockdown and emergency measures;
- to set-up the adequate legal and financial framework for the Member States providing financial and income support for workers and self-employed workers affected by unemployment or suspension from work;
- beyond making it available, ensure that enterprises and especially all types of SMEs and all workers, including the self-employed, have effective access to financial support”demand Member States to involve national Social Partners in the design as well as in the implementation of national measures;

- ensure funding for enabling up and up-skilling for both companies and workers to meet the new sector specific competence needs due to the rapidly digital transformation;
- together with Member States, establish an emergency fund for the retail supply chain allowing enough liquidity to be available to help enterprises to cover the loss of income as well as to face their obligations vis-à-vis employees, customers and suppliers;
- ensure that state aid is subject to the following conditions: companies are signatories to collective bargaining agreements, dividends payments to shareholders are suspended, all jobs are maintained, ecological guarantees are in place and worker and trade union rights are respected;
- recognise Covid-19 as a work accident or occupational disease depending on exposure and seizure conditions.

We look forward to hearing from you.

Best regards,



Oliver Roethig  
Regional Secretary



Annika Flaten  
Director of Commerce