

Ensuring optimum parallel trade in a well-functioning EU Single Market

How Europe's consumer goods industry drives a competitive Single Market united in its diversity

AIM, the European Brands Association, represents 2,500 branded consumer goods manufacturers in Europe in the food, beverages, personal care, home care, luxury, toys, apparel and electronic equipment categories. Our members are small, medium, and large companies, with brands ranging from national household names to global icons, all intent on delivering trusted and high-quality goods to consumers across Europe.





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A. Economic context for suppliers operating in the EU Single Market

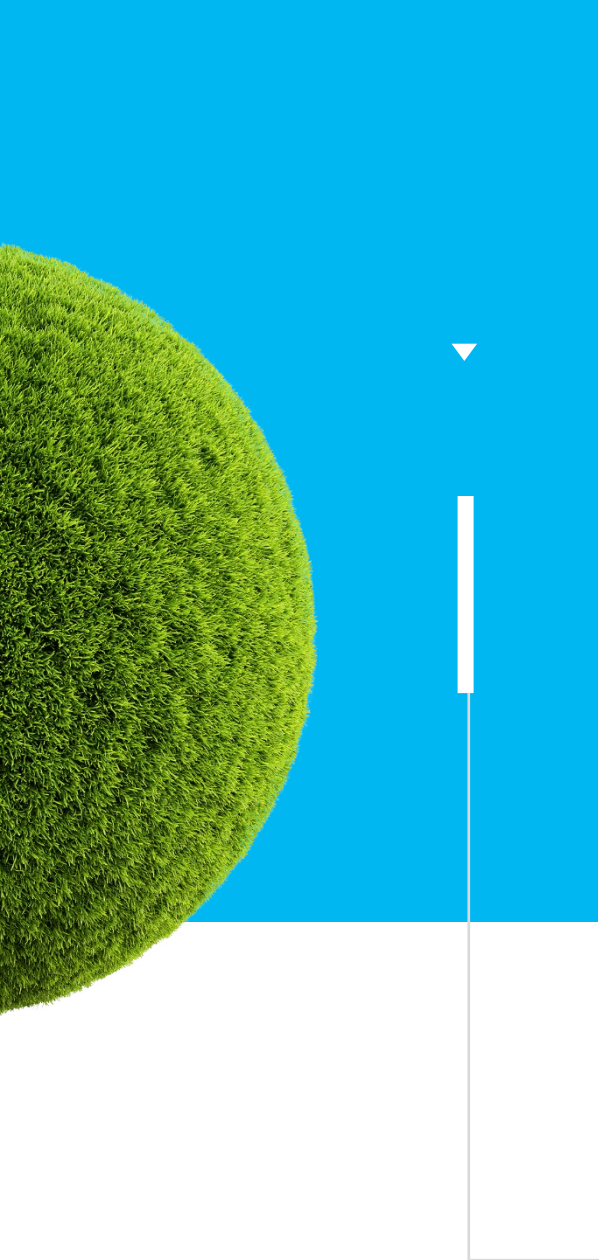




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1. The consumer goods industry and the Single Market – Facts & Figures





The EU's competitiveness is strengthened by:

- A diverse supply chain and manufacturing base throughout the EU to ensure resilience of supply
- 166,000 branded consumer goods companies providing trusted brands to the EU's 450 million consumers
- A Single Market with harmonised rules, built on a fair trading environment that preserves the freedom of all market players to operate as efficiently as possible.
- A stable geopolitical and global trading environment

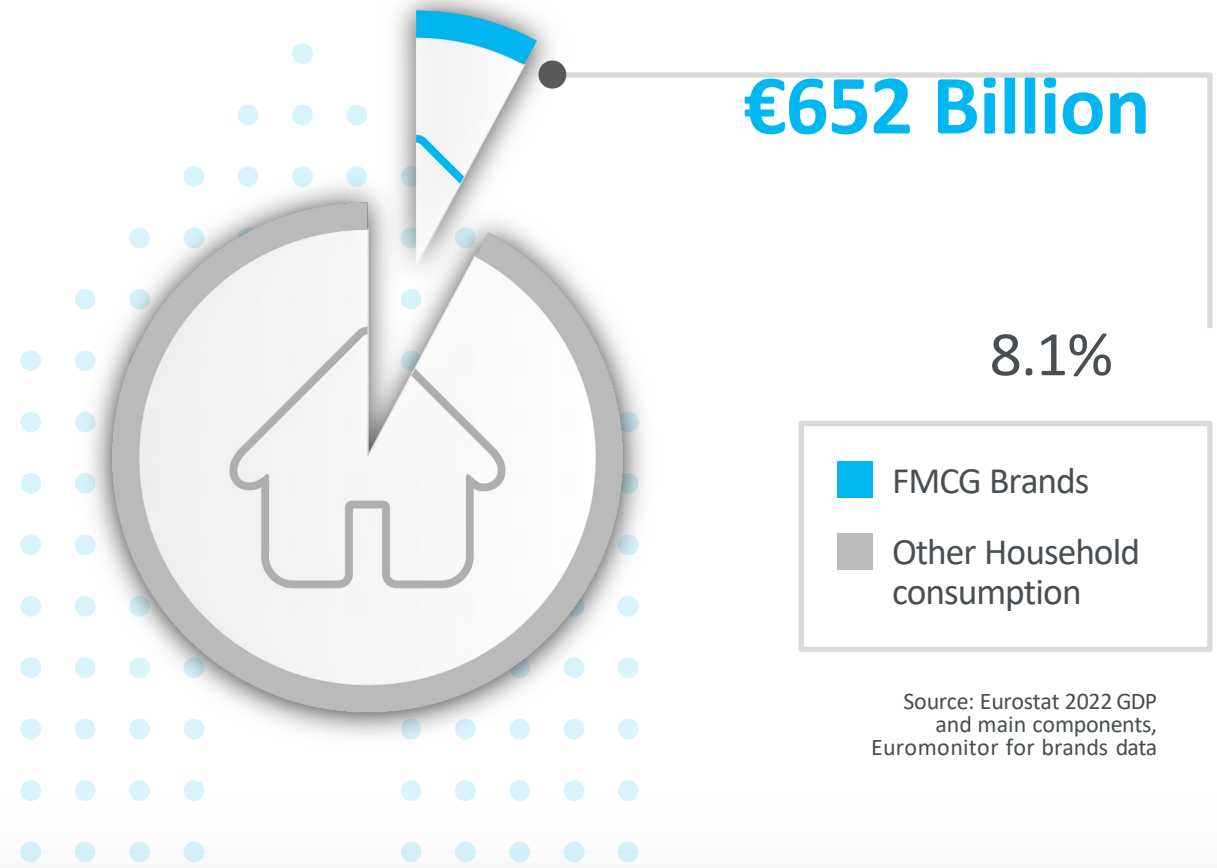
**Household consumption is a key contributor to the economy.
Driven by FMCG brands, the consumer goods industry is a major engine of the EU economy.¹**

Household consumption²

51%
of EU GDP

Households spent
€652 billion
on FMCG brands
consumed at home

Representing
8.1%
of total household
consumption

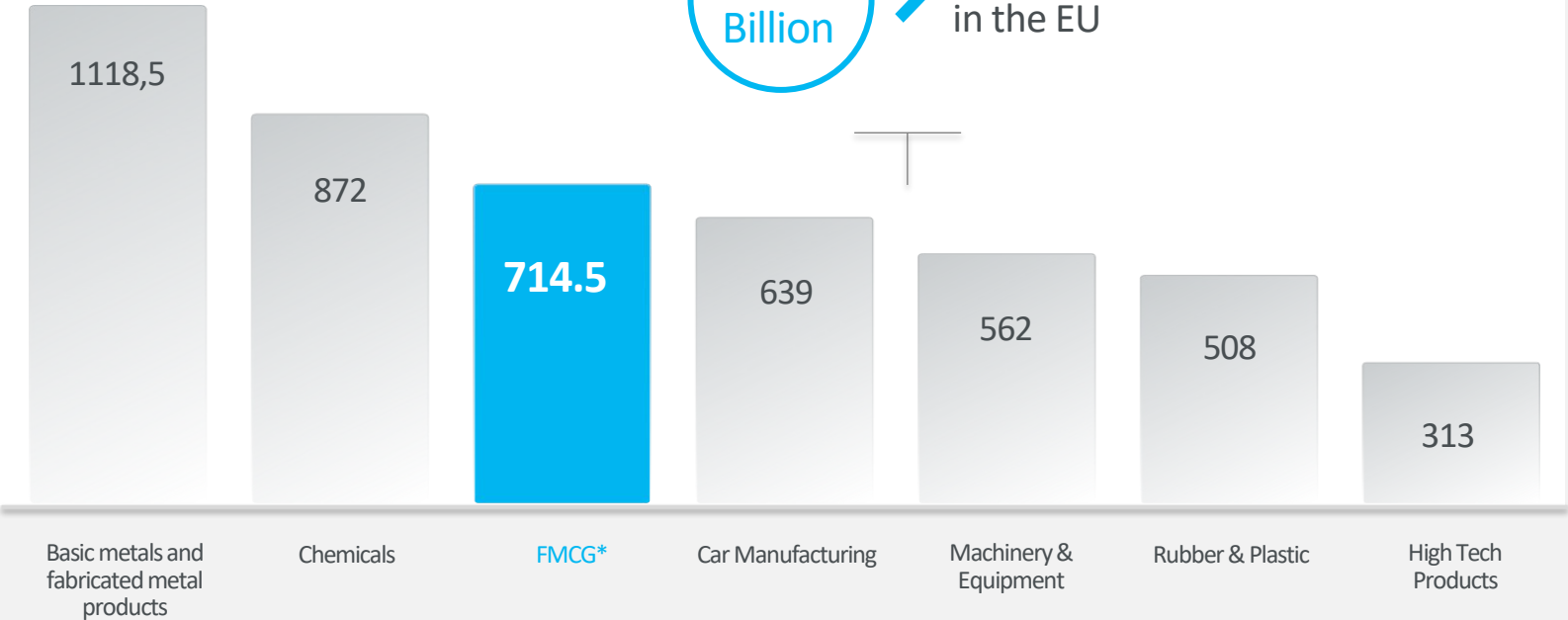


Source: Eurostat 2022 GDP and main components, Euromonitor for brands data

¹ FMCG Brands: Packaged Food, Pet Care, Health & Beauty, Household Cleaning Products, Paper Tissue & Hygiene, Non alcoholic and Alcoholic Drinks purchased in Stores, consumption made at Home. EU 24.. No data for Petcare in Latvia, Lithuania and Slovenia | ² Household Consumption: Food and non-alcoholic beverages; Clothing and footwear; Housing, water, electricity, gas and other fuels; Furnishings, household equipment and routine household maintenance; Health;Transport, Communication, Recreation & Entertainment including Culture; Restaurants and hotels; Miscellaneous goods and services.

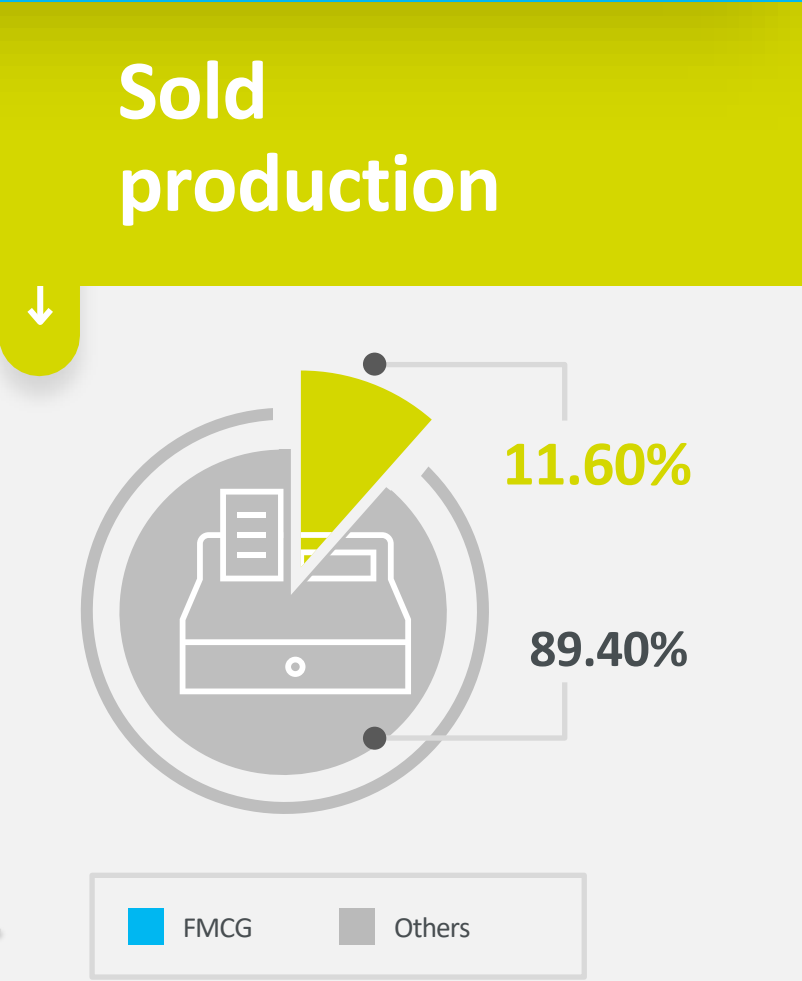
Europe's FMCG industry is one of the strongest contributors to the EU's industrial base

3rd
largest
Manufacturing
industry in Europe



11.6% ➤ of all manufactured goods produced in the EU

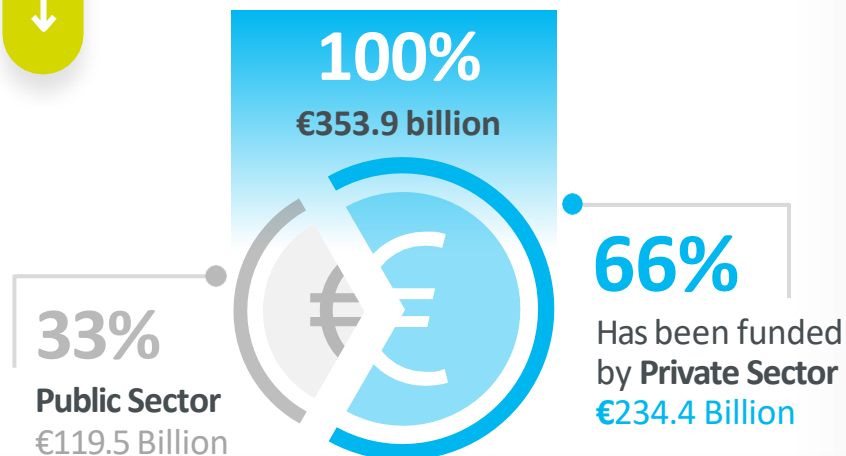
€714.5 Billion ➤ FMCG sold production in the EU



Source: Eurostat, Prodcom, 2022 data

The branded consumer goods industry innovates & invests in the EU, providing high quality jobs and driving EU industrial strategy and competitiveness

Total R&D Expenditure in the EU



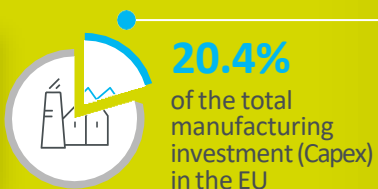
Source: OECD, Eurostat 2022 - Gross domestic expenditure on R&D (GERD) - EU 26, no data for DK

FMCG companies in the EU invested

€81 Billion

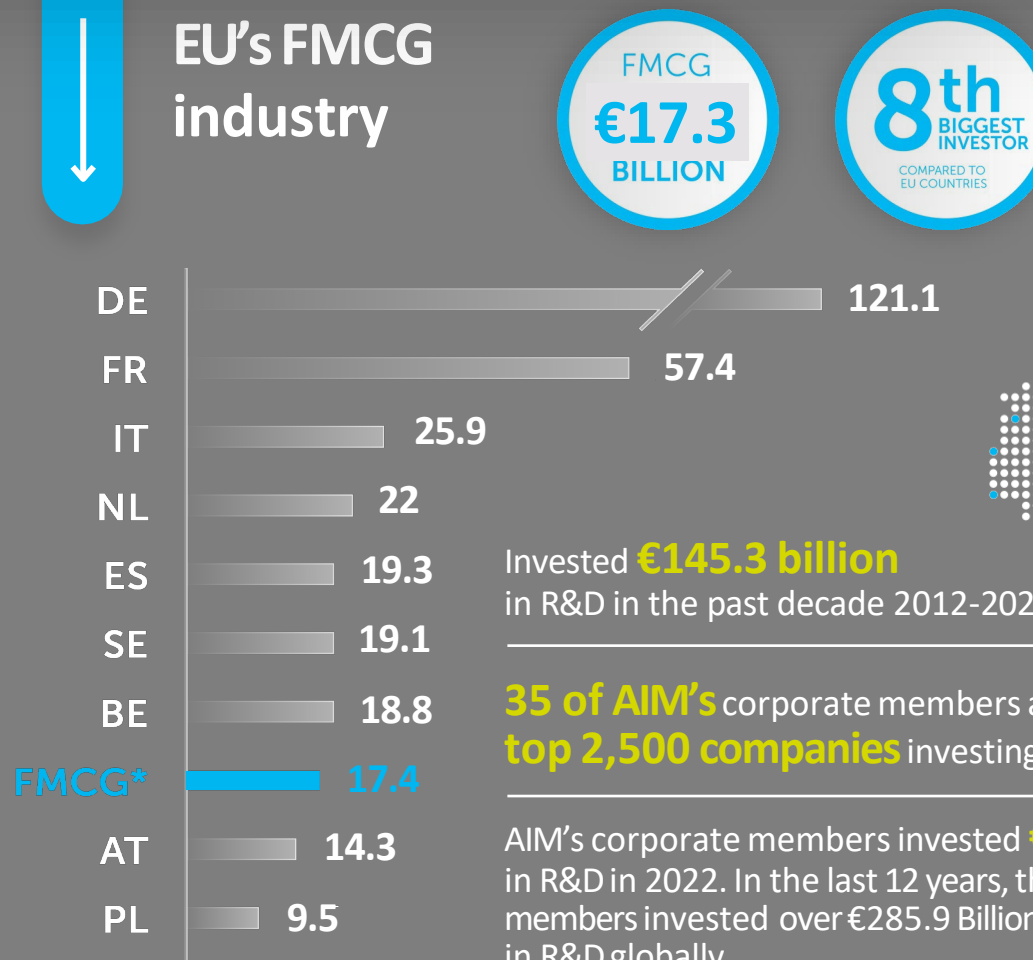
€16.5 Billion
in R&D

€64.5 Billion
in industrial assets



Sources: R&D 2021: Euromonitor based on Eurostat BERD | Capex: Eurostat: SBS by detailed NACE Rev.2 activity Gross investment in tangible non-current assets

EU's FMCG industry



Invested **€145.3 billion** in R&D in the past decade 2012-2022

35 of AIM's corporate members are included in the **top 2,500 companies** investing in R&D globally

AIM's corporate members invested **€34.8 billion** globally in R&D in 2022. In the last 12 years, these 35 AIM corporate members invested over €285.9 Billion in R&D globally

Sources: 2022 data, Euromonitor based on Eurostat BERD (Business Enterprise R&D), by NACE 4 digit codes, no data for Cyprus, Luxembourg, Malta and the NL | The 2023 EU Industrial R&D Investment Scoreboard | IRI (europa.eu)

The consumer goods industry provides choice to consumers across the EU, supporting the Single Market. Consumers and households trust our brands, within and outside the EU.



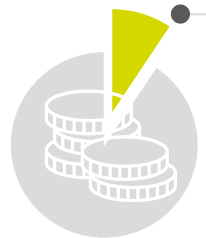
€450.9 billion
of FMCG products
traded within and
outside the EU:



6.5% of total
Intra-EU27 trade

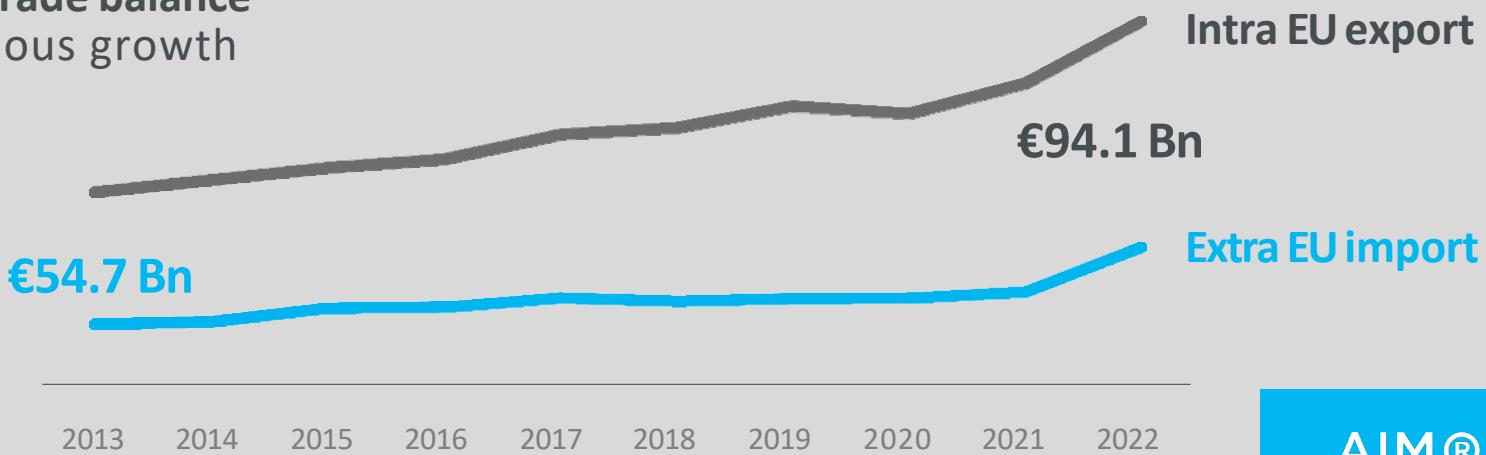
6.8% of total
Extra-EU27 trade

The FMCG industry has provided a **positive trade balance for the EU** in the past decade, with continuous growth
FMCG trade balance represented



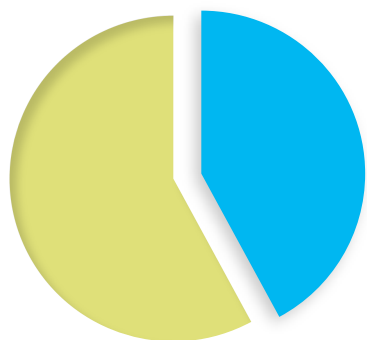
33% of the EU's total trade
(goods and services)

FMCG Others



Source: 2022 Euromonitor based on Eurostat using HS codes, Trade by commodity

A highly competitive private sector, including the branded consumer goods industry, is a major contributor to government resources, supporting communities through the payment of taxes.

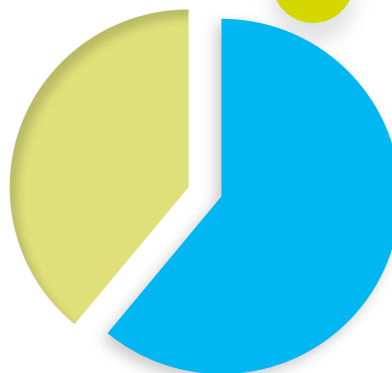


41.2%

Tax revenues
account for 41.2%
of the EU's GDP

= €6.5 trillion

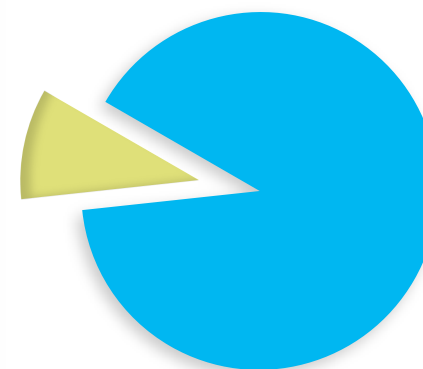
of taxes received
in the European Union



61%

of taxes are paid
by the **private sector**

(VAT, other taxes on production
& duties on imports; employers
social contribution for employees,
taxes on profits)



90%

**Proportion of
Government
Revenues from Taxes**

Source :2022Eurostat,gov_10a_taxag_custom

The FMCG branded industry supports household purchasing power with higher wages and salaries than other economic sectors, providing high quality jobs.

The FMCG Industry



Employed

> **3,148,317**

people in the EU

Source: 2021 Eurostat, SBS, Enterprises by detailed NACE Rev.2 activity and special aggregates



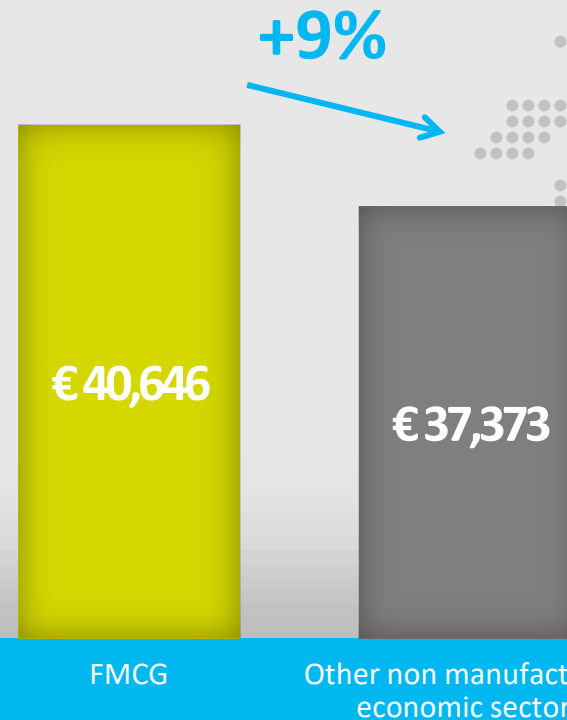
Paid

> **€122 Billion**

in salaries and social contributions

Source: 2021 Eurostat, SBS, Employee benefits expenses incl. social contribution Enterprises by detailed NACE Rev.2 activity

Average annual gross wages and salaries



Source: 2021 Eurostat, SBS, Employee benefits expenses incl. social contribution Enterprises by detailed NACE Rev.2 activity

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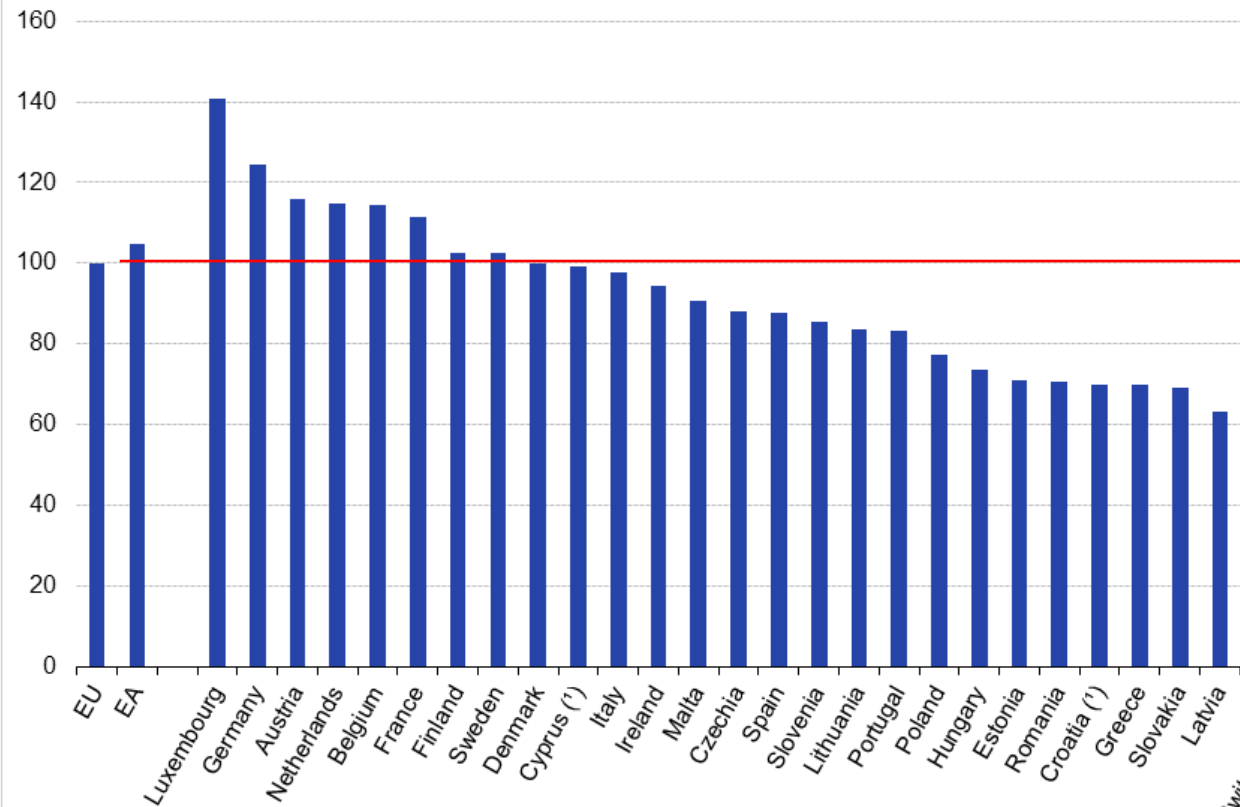
2. A Single Market united in its diversity – Facts & Figures



United in diversity – Different EU economies

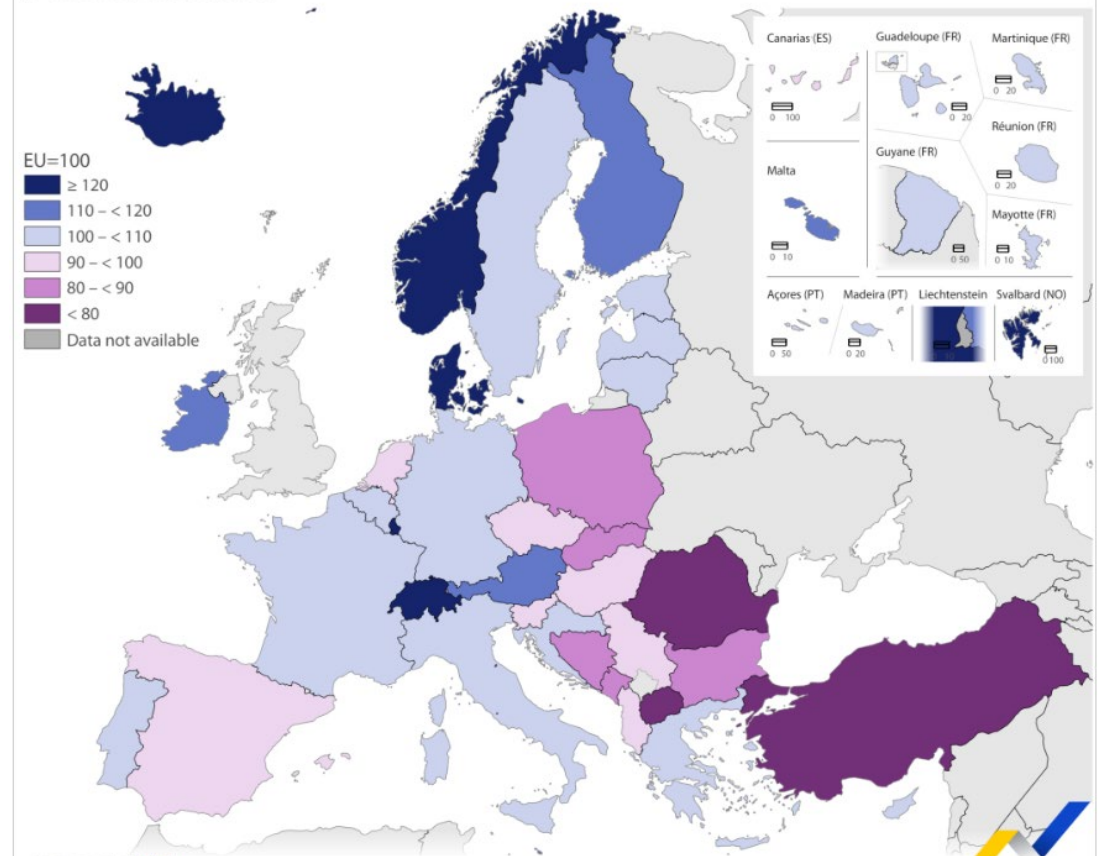
Higher price in countries where highest purchase power, highest GDP.

Gross household adjusted disposable income per inhabitant, 2023
(EU = 100, based on data in PPS)



Note: Bulgaria, not available.

Price level index for food and non-alcoholic beverages, 2023
(Price level indices)

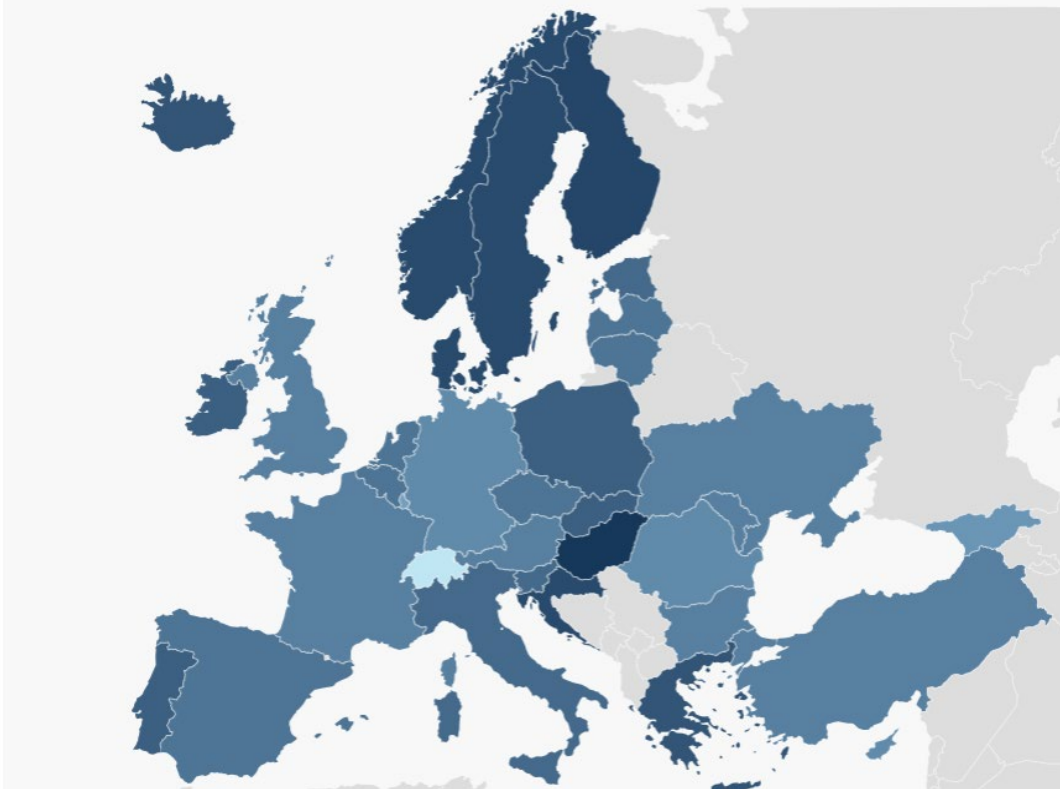


United in diversity – Different taxes on consumer products

VAT Rates in Europe

Standard Value-Added Tax (VAT) Rates in 35 Major European Countries, as of January :

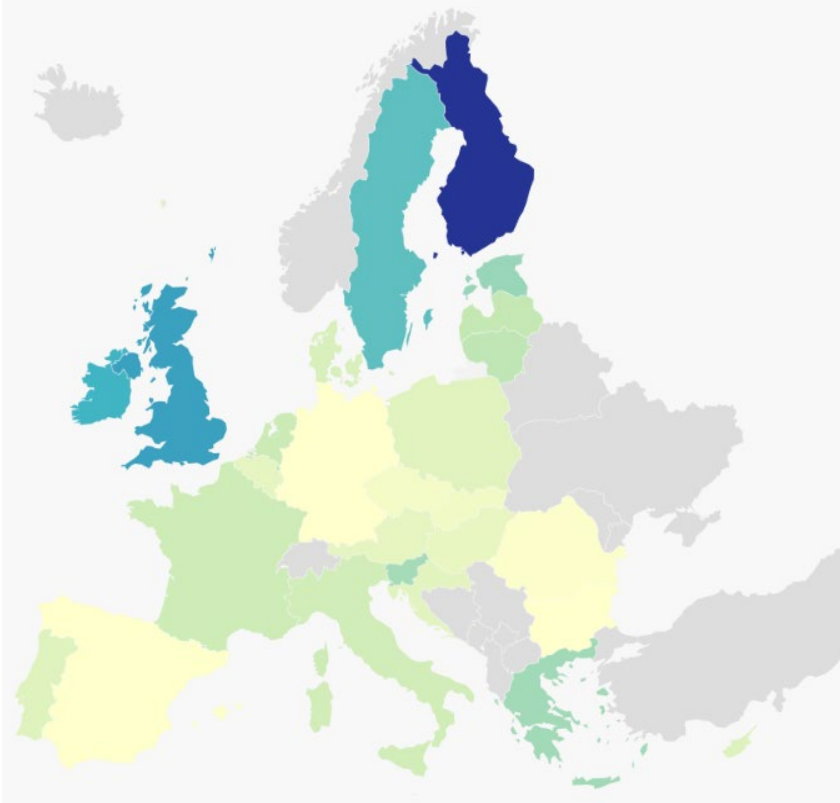
8.1% 27%



Beer Taxes in Europe

Excise Duty per 330ml (11.2oz) Beer Bottle at 5% abv in European Union (EU) Member States and the United Kingdom, as of July 2024

€0.032 €0.597



United in diversity - EU households' financial situation

In 2023, households in the EU saved 13.2% of their disposable income (banks deposits): €10 trillion euros of citizens' savings

Maria Luís Albuquerque March 6:

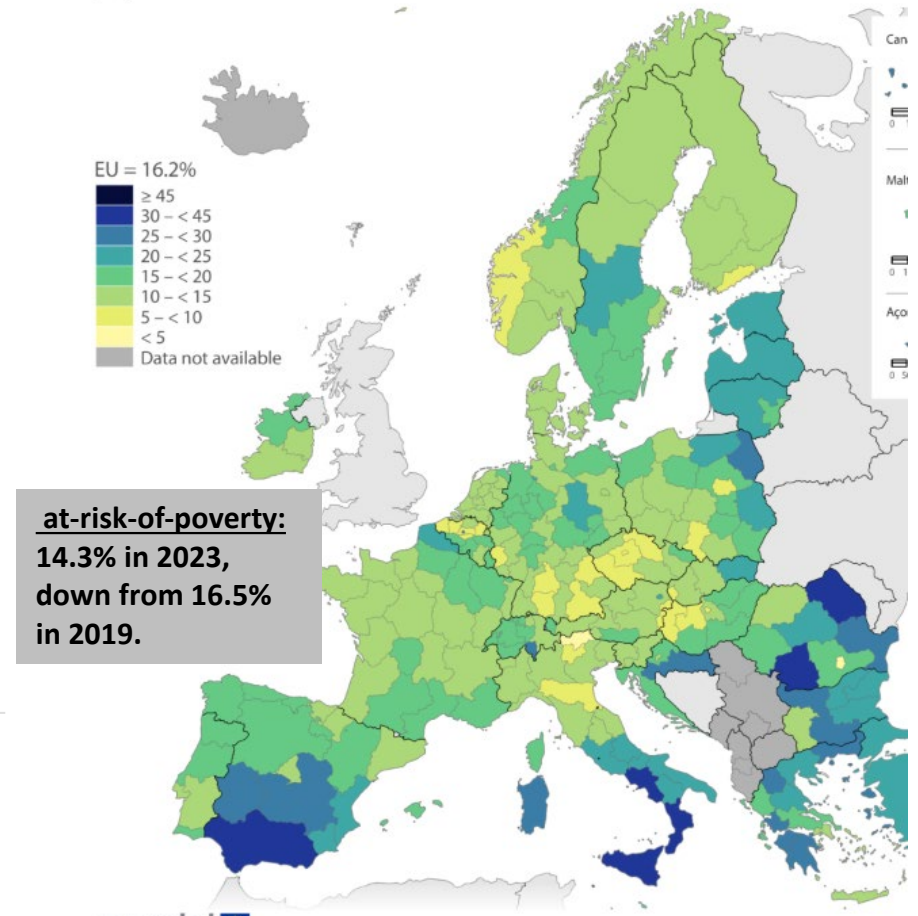
"Europeans are among the best savers in the world"

[Commission unveils Savings and Investments Union strategy to enhance financial opportunities](#)

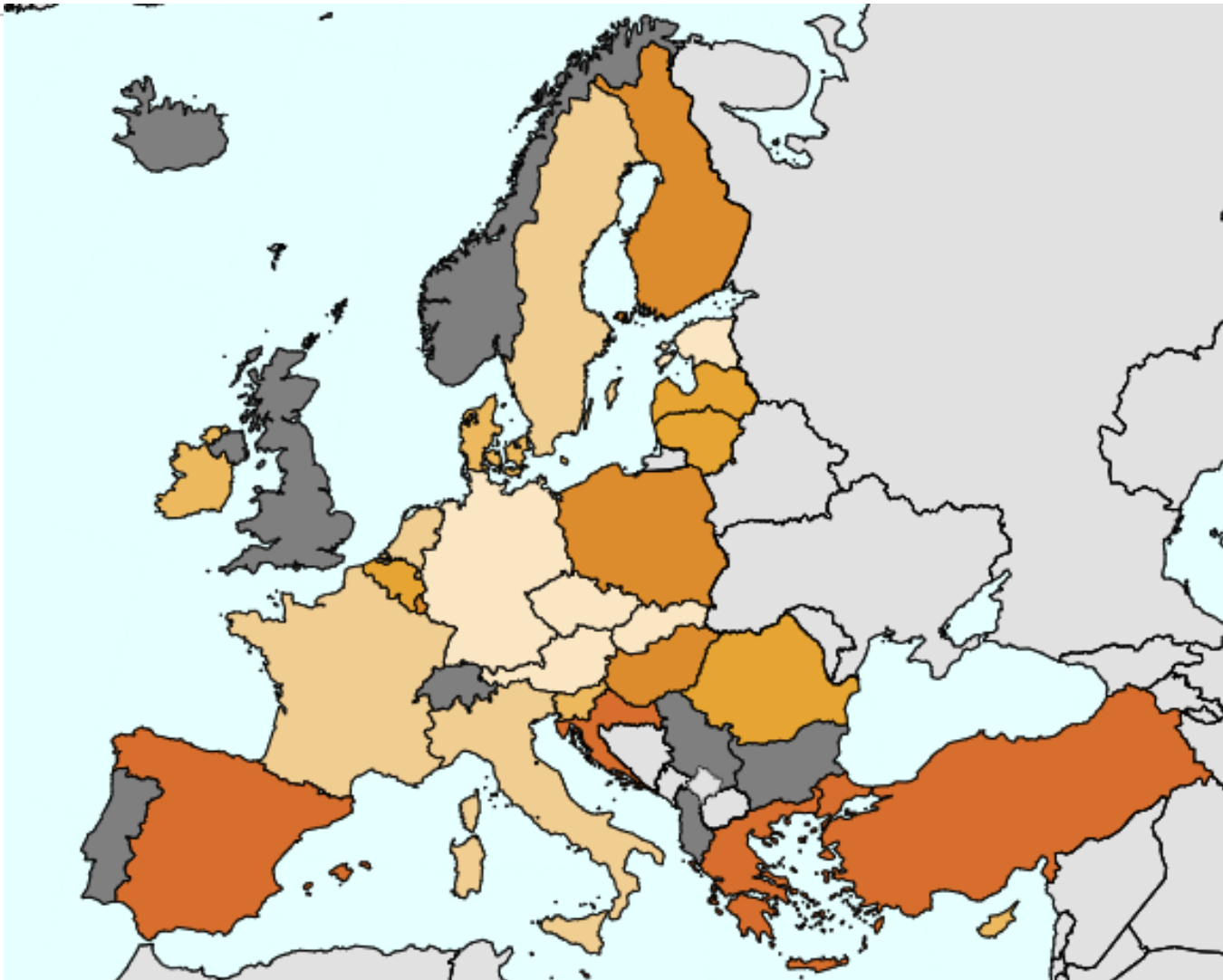


86% of EU households have purchase power

People at risk of poverty by NUTS, 2023 (%)



United in diversity - Adjusted gross disposable income of European households in real terms per capita (% change on previous period)



Households in 19 EU countries have seen their income increase in 2023 vs 2022.

In 8 EU countries, households have on average lost x% of income in 2023 compared to 2022.

	% change	€ gross adjusted Income
Czechia	-1.55	24,700
Germany	-1.41	34,820
Estonia	-2.82	19,933
France	-0.23	31,218
Italy	-0.39	27,344
Austria	-1.76	32,502
Slovakia	-1.74	19,411
Sweden	-1.16	28,758


















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3. European retailers' business strategies in the Single Market – Facts & Figures



Retailers active in the Single Market have joined retail alliances

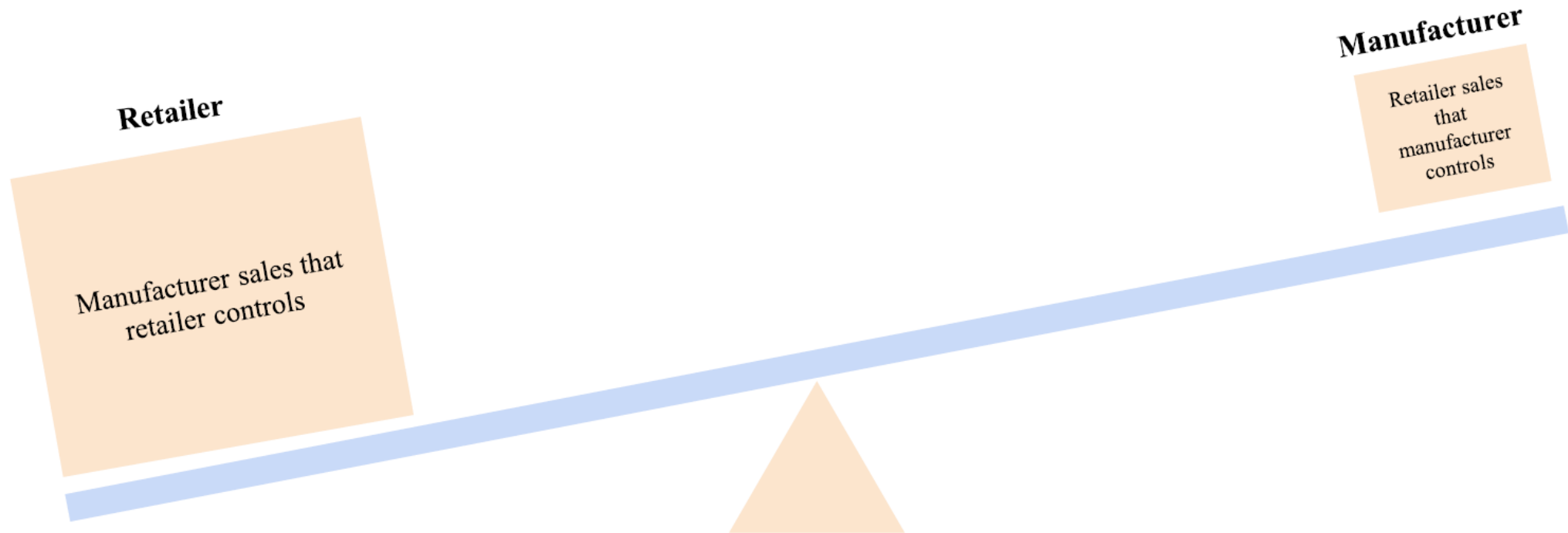
	Buying group alliances		Service alliances		
					
	✓	✓	✓	✓	✓
					
Active since	2021	2016	2021	2015 ¹	2015
Sales ² (€)	~160b	~230b	~240b	~240b	~100b
Additions in the past year					
Out in recent years					

1. Actual year of foundation: 2006; 2015 represents the year Coopernic re-launched

2. Cumulated turnover 2023 of members in EUR

Source: Auchan website; ESM, Handelsblatt, Lebensmittelzeitung; EY-Parthenon

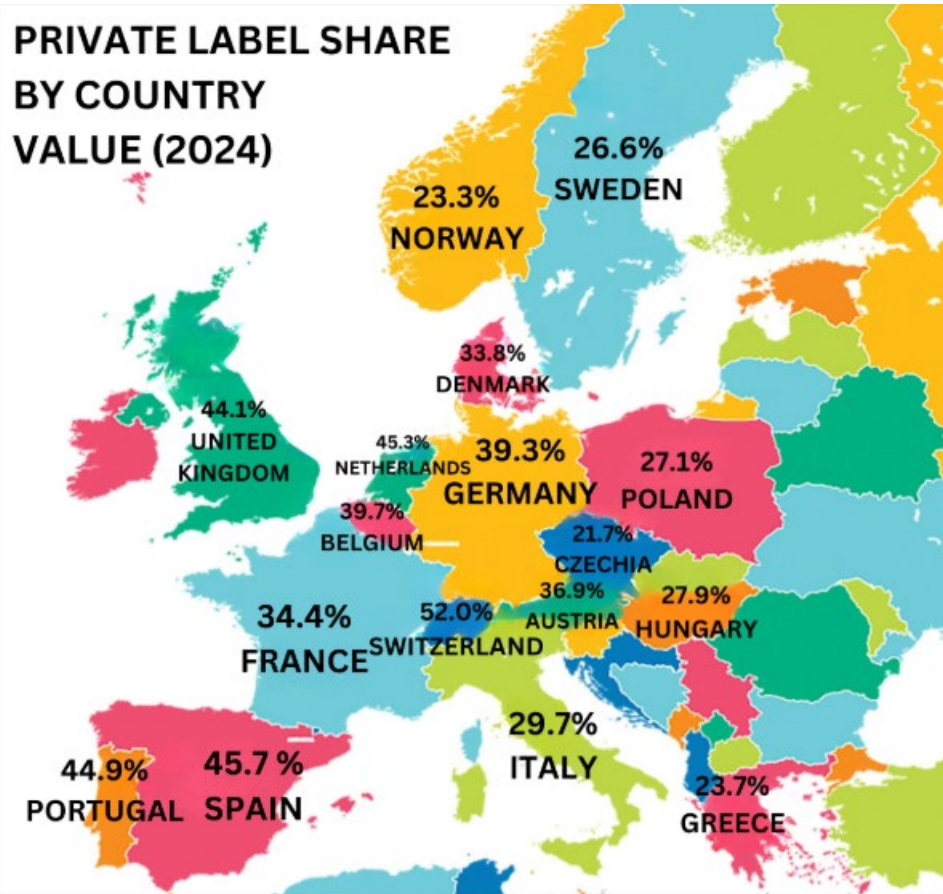
EU's large retailers have bargaining power over manufacturers



Bargaining power depends on the relative share of sales that each of the parties generates via the other
(and not the relative size of the buyer and the seller)

30% to 50% of grocery products sold in the EU are retailer brands

PRIVATE LABEL SHARE
BY COUNTRY
VALUE (2024)



The top categories in Private Label according to NielsenIQ are: Ambient Food, Confectionary & Snacks, and Perishable Food with an average value share of 46.8%, representing an impressive total of 221 billion in Euros across the 17 European countries surveyed with an overall growth of 9.5 billion euros.

Source : [Private Label Today | PLMA](#)

"There are legal and commercial reasons for retailers not to sell everything everywhere, just as there are reasons for not opening a store in every country and every town in their home state or abroad:

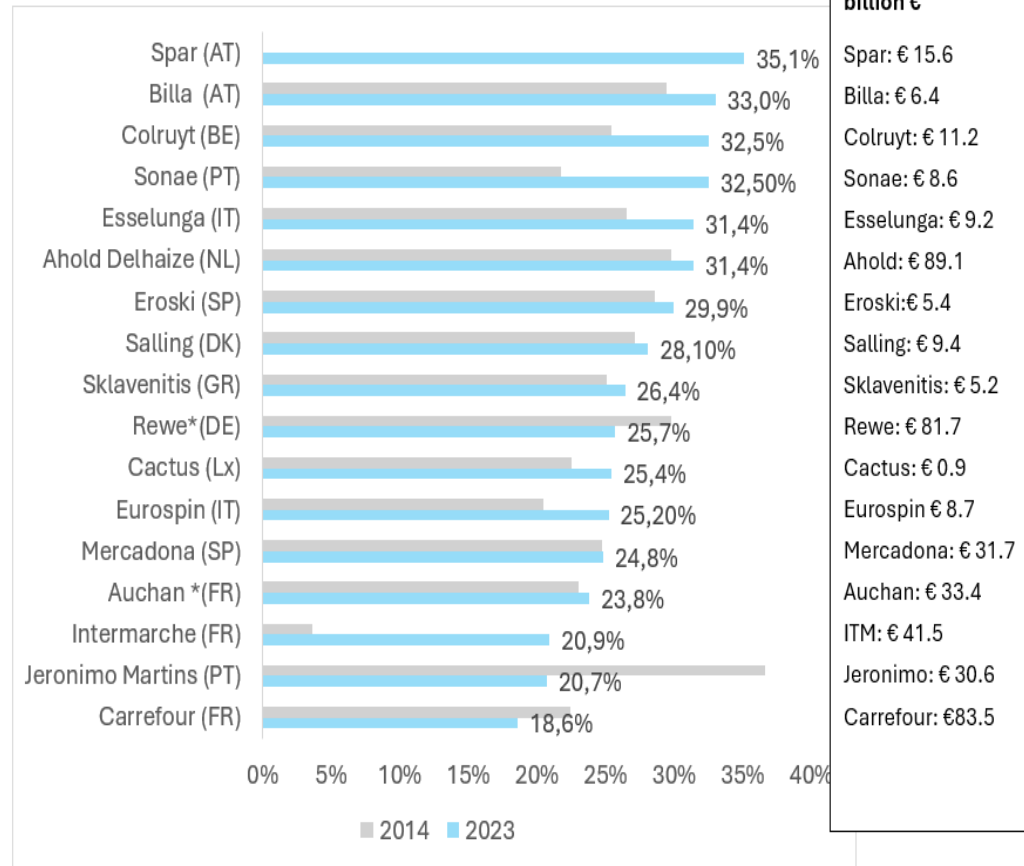
- o different rules on labelling, technical standards and product requirements, product safety and electrical waste;*
- o **different consumer expectations and service**, including info line in local language, local pick-up points or delivery options, free returns, maintenance and repair service;*
- o different VAT rules;*
- o different operating costs, local salaries, taxes;*
- o **no brand recognition in countries** where retailer does not have physical shop;*
 - o high delivery costs (transport costs, delivery times, volume – the lower the volume, the higher the price);*
- o **logistics infrastructure and investments made on operating and delivering in a specific market;***
 - o different consumer protection laws;*
 - o different sales promotion laws;*
 - o different language;*
 - o different payment methods and preferences."*

Source: EuroCommerce, September 2017 Issue Brief

European grocery retail groups' growing commercial margin

Growing commercial margin¹ of European grocery retail groups - the margin they take on the product they purchase from suppliers when they sell to consumers

European Grocery Retail groups commercial margin evolution

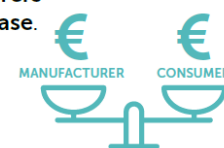


Data source: Moody's Analytics, – retailers consolidated financial statements

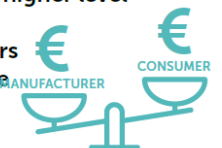
- Over the last 10 years, European retail groups' commercial margin have increased.
- It means that they purchase at a lower price on average in 2023 than in 2014 from their suppliers.
- They increased consumer prices beyond suppliers' price increase (as a higher margin implies a higher differential).
- Purchasing at a lower price from suppliers, and selling at a higher price to consumers increases retailers' commercial margin.

72%
of FMCG
manufacturers
have seen retailers
increase the
consumer price of
their products

42% of FMCG manufacturers have observed retailers **increase the consumer price** of their products at the **same level as the manufacturers price increase**.

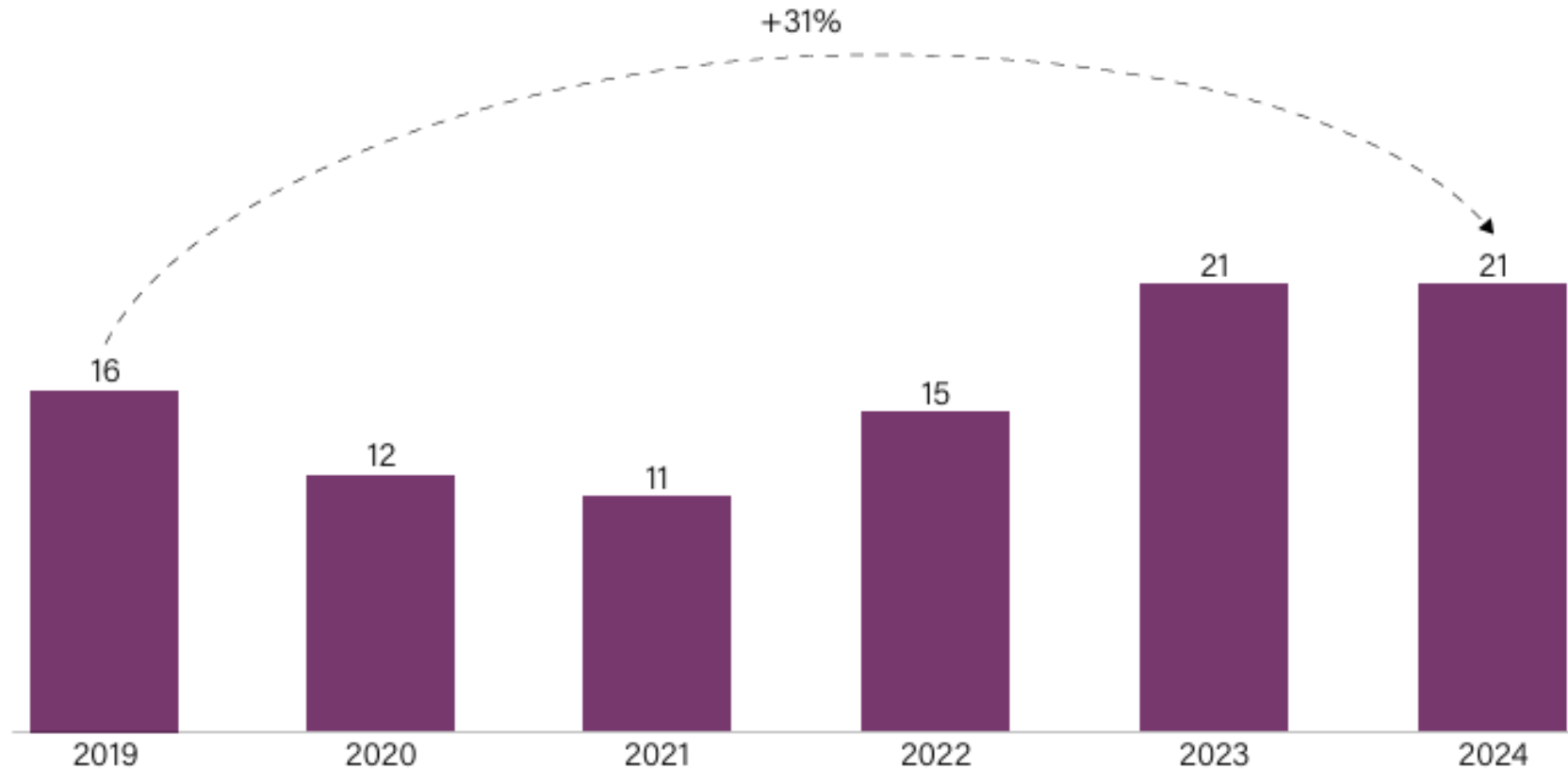


21.5% of these FMCG manufacturers have observed retailers **increase the consumer price** of their products at a **higher level than the manufacturers price increase**.



The number of M&A deals in grocery retail has increased since 2021

Development of M&A deals in grocery in Europe,¹ number of M&A



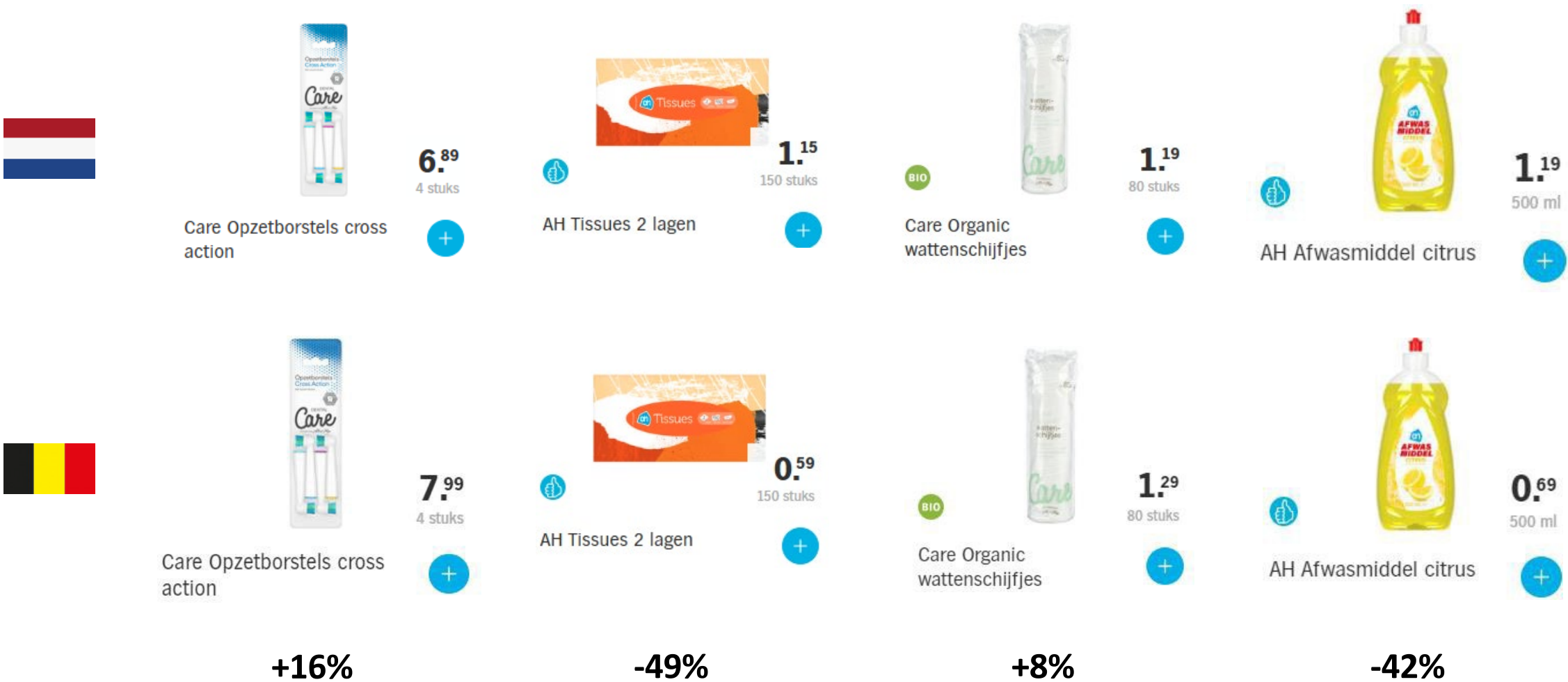
¹Based on Belarus, Belgium, Bosna and Herzgovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, UK.

Source: Global Data; S&P Capital IQ

²⁶ Companies in the sample are made up of nine European grocery retailers considering grocery retail business units with operations in Europe (Ahold Delhaize, Axfood, Carrefour, DIA, ELO SA incl. Auchan, ICA, Jeronimo Martins, Kesko, and Sonae Retail).

Example of private label product cross-border price differences in the EU

Personal and home care products



Difference between AH.be and AH.nl – January 2025 prices

Example of private label product cross-border price differences in the EU

Soft drinks, juices, coffee, tea



AH Cola regular 6-pack



AH Ice tea refreshing green 12-pack



Perla Huisblends Goud oploskoffie



Perla Huisblends Decaf snelfiltermaling
vanaf maandag



AH Cola regular 6-pack



AH Ice tea refreshing green 12-pack



Perla Huisblends Goud oploskoffie



Perla Huisblends Decaf snelfiltermaling



-34%

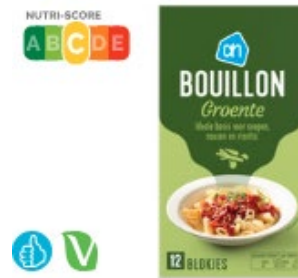
5%

+9%

-35%

Example of private label product cross-border price differences in the EU

Soups, sauces, spices, oil



AH Bouillon groente

0.55
120 g



AH Rijkgevulde
groentesoep

1.99
800 ml



AH Sweet chili sauce

1.39
0,7 l



AH Mayonaise zacht en
romig

1.29
360 ml



AH Groentebouillon

0.39
120 g



AH Groentesoep

2.19
800 ml



AH Sweet chili sauce

1.99
700 ml



AH Mayonaise zacht en
romig

1.19
360 ml



-29%

+10%

+43%


-8%

Example of private label product cross-border price differences in the EU

Breakfast and spreads



NUTRI-SCORE
A B C D E



1.59
500 g

👍 V

AH Leverworst

+

NUTRI-SCORE
A B C D E



0.99
450 g

👍 V

AH Rinse appelstroop

+

NUTRI-SCORE
A B C D E



1.19
450 g

👍 V

AH Extra jam aardbeien

+

NUTRI-SCORE
A B C D E



1.39
485 g


👍 V

AH Ontbijtkoek volkoren gesneden

+



NUTRI-SCORE
A B C D E



2.49
500 g

👍

AH Leverworst

+

NUTRI-SCORE
A B C D E



1.49
450 g

👍 V

AH Rinse appelstroop

+

NUTRI-SCORE
A B C D E



0.86
450 g

👍 V

AH Extra jam aardbeien

+

NUTRI-SCORE
A B C D E



2.29
475 g

👍 V

AH Ontbijtkoek volkoren gesneden

+

+56%

+51%

-27%

+64%

Example of private label product packaging and price differences in the EU

Prices
collected
in April
2025

BELGIUM



Café Moulu Doux 250 g

3,59 €

14,36 €/kg

<https://www.carrefour.be/fr/cafe-moulu-doux-250-g/05749450.html>

FRANCE



Café bio bio doux

4,99€

19.96 € / KG

<https://www.carrefour.fr/s?q=carrefour+bio+cafeCarrefour>

ROMANIA



Căfea macinată bio Carrefour, 250 g

16⁴⁹ LEI

€ 3.3

<https://carrefour.ro/produse/19-14513685>

Example of private label product packaging and price differences in the EU

BELGIUM 



Galettes de Maïs 120 g

6,58 €/kg

FRANCE 



Galettes de maïs

le paquet de 120g

7.42 € / KG

ITALY 



Carrefour Bio Gallette di Maïs 120 g

€ 6,58 al kg/120.0 g

Prices
collected
in April
2025

Example of private label product packaging and price differences in the EU

Prices
collected
in April
2025

FRANCE



Gel intime à l'extrait de calendula CARREFOUR SOFT BIO

le flacon de 200mL

13.25 € / L

2,65€

<https://www.carrefour.fr/p/gel-intime-a-l-extrait-de-calendula-carrefour-soft-bio-3560071259006>

ITALY



Carrefour Bio

Carrefour Bio Soft Gel Igienne Intima con estratto di...

Carrefour Bio Soft Gel Igienne Intima con estratto di calendula bio 200 ml



€ 13,95 al l/200.0 ml

€ 2,79

<https://www.carrefour.it/p/carrefour-bio-soft-gel-igiene-intima-con-estratto-di-calendula-bio-200-ml/3560071259006.html>

SPAIN



€3.09

€1.54/100ml

Intimate hygiene gel with organic calendula extract Carrefour Soft Bio 200 ml.

● BIO

<https://www.carrefour.es/supermercado/gel-de-higiene-intima-con-extracto-de-calendula-ecologica-carrefour-soft-bio-200-ml/R-VC4AECOMM-599827/p>

ROMANIA



Gel igiena intima Carrefour Soft Bio, cu galbenele 200ml

18⁵⁰ LEI = € 3,5

[Gel igiena intima Carrefour Soft Bio, cu galbenele 200ml | Carrefour Romania](https://www.carrefour.ro/p/gel-igiena-intima-carrefour-soft-bio-cu-galbenele-200ml)



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B. Examples of legitimate reasons for supply variations in the EU Single Market



Legal and economic context

The EU Treaty's rules on the Single Market aim to harmonise regulations and remove regulatory barriers to free circulation, while protecting and respecting the **fundamental freedom of all businesses to make independent decisions about their operations, including pricing policies, within the bounds of competition law.**

- **Fundamental freedom of business operations:** The right of businesses to choose what, where, with whom and under what conditions they operate, including pricing, is a cornerstone of the EU's free economy model. This principle is enshrined in the EU Treaty and in the constitutional laws of the Member States. Upholding the principles of economic freedom and free competition is in line with the EU's core values and long-term strategic objectives.

- **Respect of competition law:** As long as businesses operate within the boundaries set by competition law, which prevents monopolistic practices and ensures fair competition, they should be free from undue regulatory interference.

- **Economic efficiency and innovation:** Allowing businesses the freedom to operate and compete fosters economic efficiency, innovation and consumer choice, which are essential for a dynamic and resilient economy.

- **The Single Market needs more competitiveness and fairness:** a fair and evidence-based approach to the Single Market requires a focus on a level playing field for all market participants, which will greatly help them to become more competitive.

Key drivers of supply chain and retail market dynamics

Efficient supply chains are built on planning, depending on the relevant history and details pertaining to the orders of long-term customers.

- Planning is essential, as it allows companies to organise sourcing, production, sales and distribution flows and to define the manpower required. Any new, unexpected demand requires additional time and organisation and is likely to disrupt these flows as they were planned.
- Also, the management of manufacturing operations heavily relies on manpower's availability and qualifications.

Markets are local due to historical, cultural and socio-economic differences. They therefore differ per consumer as well as per region, within and across countries.

Differences in a store's assortment are influenced by retail strategy as well as the nature of competition.

There are no two stores that have an identical assortment, even if both stores belong to the same retailer.

Consumer prices are set by retailers depending on their business strategy and the competitive environment's intensity (number of players, respective market shares), and nature (players' positioning and formats).

Consumer prices are dynamic: they vary across the weeks because of promotions, but also because of business needs, and across markets independently of intermediaries (suppliers, wholesalers, farmers).

Examples of legitimate reasons why a supplier may not deal with a buyer

| Credit and financial integrity / Failure to meet financial or credit requirements

| Operational constraints / Limited production capacity or shortages

- | Ordering patterns that differ sharply from established forecasts
- | Additional costs for out-of-scope distribution (need to find a transporter to deliver in new country)
- | Manufacturing bottlenecks or supply-chain disruptions
- | Unexpected surge in overall demand
- | Allocation policies based on objective criteria

| Commercial reasons

- | Inability to agree on commercial terms
- | Strategic or economic reasons
- | Negative commercial experience or history
- | Incompatibility with business or marketing strategy

| Brand/reputation protection

- | Brand protection or reputational concerns
- | Protection of trade secrets or IP
- | Concerns over end-user or subsequent resale
- | Failure to adhere to brand presentation standards

| Selective distribution and exclusivity

- | Non-compliance with distribution policies
- | Conflict with existing distribution agreements

| Legal and regulatory compliance

- | Quality control and regulatory non-compliance
- | Legal or regulatory violations
- | Violation of contractual non-disclosure or confidentiality obligations



Examples of legitimate reasons why product packaging and labelling may vary in the EU

Legal and regulatory compliance

- Fragmented national rules
- National labelling rules
- National “food law” definitions / denominations
- Mandatory translations and minimum font sizes
- Additional disclaimers or instructions in some instances
- Many languages on pack? Mandatory labelling can become unclear
- Country-specific consumer protection rules (product claims, special symbols, certifications...)
- Trademark and IP requirements

Language and cultural adaptation

- Mandatory local language
- Consumer preferences and expectations
- Cultural sensitivities

Practical or logistical factors

- Packaging material constraints
- Distribution and supply chain setup
- Batch codes and tracking

Marketing and branding strategy

- Promotional requirements
- Differing consumer segments
- Competitive positioning

Examples of Member State infringements

- 12 March 2025 EC letter of formal notice to Italy** ([INFR\(2025\)4000](#)) for failing to address the incompatibility of its labelling requirements
- 16 December 2024 EC letter of formal notice to Spain** ([INFR\(2024\)4029](#)) for failing to comply with labelling requirements on waste sorting instructions
- 14 November 2024 EC reasoned opinion and 15 February 2023 EC letter of formal notice to France** ([INFR\(2022\)4028](#)) for failing to address the incompatibility of its labelling requirements concerning waste sorting instructions with EU law

Also see the **nine cases** raised in the [Single Market Obstacles Compendium](#) assembled by the European Round Table for Industry

Examples of legitimate reasons why product prices may differ depending on their destination

| Cost-based reasons

- | Different production and distribution costs (incl. cost of labor)
- | Variations in tax regimes (different VAT rates, excise duties or sales taxes)
- | Compliance with country-specific regulations (legal or safety standards, certifications, testing or licensing requirements)
- | Currency exchange rates and hedging costs

| Market conditions

- | Market positioning and brand strategy
- | Trading environment and local competition (strong national brands)
- | Consumer preferences (brand recognition)

| Demand conditions

- | Volume discounts for large orders
- | Special costs for specific orders

| Strategic or contractual reasons

- | Different distributor agreements
- | Local partnerships or government incentives

Legitimate reasons for supply variations in the Single Market

Consumer focus: Branded goods manufacturers prioritise consumer needs and adapt their products to local laws and preferences. Compliance with national regulations (*e.g.*, labelling) should never be seen as a “restriction”, “constraint” or “imposition” by suppliers.

Definition matters: So-called “TSCs” (territorial supply constraints) are often portrayed as “impositions” or “restrictions” by suppliers on retailers. However, neither legitimate product differentiation nor local compliance is a “restriction”.

Facts-based analysis: Any assessment must be based on robust data (*e.g.*, market context, cost structures, competitive dynamics). There is no conclusive evidence of widespread, supplier-imposed restrictions in the EU Single Market. Any claims about specific cases must be evidence-based and rooted in verifiable data.

Retailers’ strategies: Retailers’ own strategies (incl. private labels, franchise structures, store formats) have a significant impact on product assortment, availability and pricing — factors that are often mistakenly attributed solely to manufacturers.

Price variations ≠ “TSCs”: Differences in final consumer prices reflect multiple factors (taxes, logistics, volumes, competition, *etc.*), many of which are outside manufacturers’ control. Consumer prices are set by retailers, not manufacturers.

Conclusion:

- There are many possible legitimate reasons for market variations (legal requirements, innovation, consumer preferences).
- Avoid conflating routine commercial practices with “constraints”.
- If in doubt, contact the competition authorities.

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C. Addressing intentional restrictions of parallel trade in the EU Single Market



Legal tools already available to address intentional restrictions of parallel trade

EU antitrust law

Article 101 TFEU

Agreements (or concerted practices) intended to restrict parallel trade within the European Union may infringe Article 101 of the Treaty on the Functioning of the European Union.

Article 102 TFEU

A unilateral measure by a dominant supplier intended to restrict parallel trade within the European Union may infringe Article 102 of the Treaty on the Functioning of the European Union.

National laws on the abuse of economic dependence or relative market power

Where a supplier is not dominant (in the EU competition law sense), national rules on the abuse of economic dependence or relative market power may still apply. Such provisions can address unilateral measures by a non-dominant player that aim to restrict parallel trade.

Such rules have been available in a growing number of European countries:

- Germany since 1957
- France since 1986
- Italy since 1998
- Austria since 2005
- Portugal since 2012
- Poland since 2017
- Belgium since 2019
- Switzerland since 2022

EU antitrust law addresses all major restrictions to parallel trade

Unilateral practices (*Article 102 TFEU*)

- | U1 Refusing to supply to prevent exports
- | U3 Stopping to supply to prevent exports
- | U4 Differentiating products to prevent exports
- | U5 Differentiating prices to prevent exports
- | U6 Making promotions conditional on non-export
- | U7 Bundling/tying local and imported products

May also be addressed under Article 101 TFEU

COVERED BY COMPETITION LAW RULES FOR DOMINANT PLAYERS

- ➡ Practice by a dominant player?
Call the competition authority
- ➡ Practice by a non-dominant player?
Abuse of relative market power or economic dependence?

Agreements (*Article 101 TFEU*)

- | A1 Restricting cross-border sales
- | A2 Restricting unsolicited (passive) sales
- | A3 Raising prices for cross-border sales
- | A4 Stopping cross-border procurement in return for benefits
- | A5 Limiting quantities to prevent exports
- | A6 Restricting sales to export-oriented retailers
- | A7 Limiting promotional support for exported products
- | A8 Prohibiting language stickers that enable export

ENTIRELY COVERED BY COMPETITION LAW RULES

- ➡ **Call the competition authority**

National laws on the abuse of economic dependence or relative market power

Definition & rationale

- Even if a supplier is not “dominant” under EU competition law (Article 102 TFEU), it may still hold significant leverage over certain trading partners.
- Economic dependence or relative market power laws protect smaller or reliant businesses that have no reasonable alternative source of supply or distribution.

Key legal frameworks

- Growing number of EU Member States have specific rules: e.g., France, Germany, Italy, Belgium, Austria, Poland.
- These provisions allow authorities to investigate and sanction abusive conduct by non-dominant firms if they exploit a dependent customer or supplier.

Relevance to parallel trade

- If a supplier uses its relative market power to prevent or deter cross-border sales (e.g., limiting supply or imposing export bans), it may face scrutiny under these national laws, even if it is not dominant EU-wide.

Enforcement of applicable laws and practical implications

Enforcement and remedies

- National competition authorities (or courts) can impose fines or require changes to abusive practices.
- Parallel trade complaints or investigations may simultaneously invoke EU competition law and relevant national economic dependence provisions.

Practical implications

- Suppliers must assess their relationships with distributors or retailers who may depend on them for critical products.
- Compliance teams should monitor commercial policies and ensure they do not impose unwarranted territorial restrictions or discriminatory pricing.

Fact-based policymaking

EUR 14 billion – source widely quoted from the VVA study on TSCs commissioned by the European Commission 2020.

Study states:

- *“The (price) data provided by Euromonitor **does not lend itself for an econometric analysis**, as it does not include a sufficiently large sample of perfectly identical brands across countries”.*
- *[this] “econometrically derived estimate is **subject to some uncertainty**”.*
- *“the 90% confidence interval of this estimate ranges from 0.5 to 28 billion”.*
- *“**there is no certainty whether the possible benefit of a lower consumer price would indeed materialise**”.*
- *“Half of EU fast moving consumer goods sellers experiences supply constraints based on their location”. EC Press release. The study states that half of those **surveyed** have stated this i.e. **34** – this is not half of the 5.5 million retailers and wholesalers in the EU.*

AIM's recommendations

Concerns about suppliers' alleged territorial restrictions should be addressed through:

- ➔ Continuous enforcement of the competition law rules by DG COMP and national competition authorities
- ➔ A focused approach to remove regulatory fragmentation and ensure consistent and harmonised packaging and labelling rules across the EU by the EU regulator (DG GROW and DG ENVI) and the Member States
- ➔ A focused approach to ensure more consistent fiscal and regulatory rules across the EU by the EU regulator (DG ECFIN and DG TAXUD) and the Member States



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