

PRESS RELEASE

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PR FOR IMMEDIATE RELEASE

Ahead of the IMCO [Hearing on Rising Consumer Prices in the Internal Market](#), Europe's Consumer Goods Manufacturers urge an inclusive, fact-based discussion with all stakeholders

As the European Parliament's IMCO Committee meets to discuss consumer prices in the Internal Market, AIM — the European Brands Association — expresses surprise that very few operators of the consumer goods supply chain have been included in the discussion, with only downstream organisations from retail and consumer representations present. As the agenda states the objective is to understand drivers of consumer prices — from food to textiles — it is remiss of the Parliament to exclude the experience and expertise of producers and manufacturers, given the consumer goods industry is the third largest manufacturing sector in Europe.

A facts-based approach is required to understand the real dynamics behind price formation, as highlighted by a number of European Commission services who are also not represented at the hearing:

- Recent European Commission [data](#) shows that inflation has come down **to the 2% inflation rate set in the Stability Pact for the Euro. In all countries, the double inflation rate has disappeared.**
- Yet **public perception lags behind**, as demonstrated by DG ECFIN's June Business & Confidence [survey](#), which shows a **record high distortion of consumers' perceived inflation rate** of 14% — a 12 point gap to the reality of 2%. This perception gap risks undermining trust in both industry and EU and government institutions. Soundbites without facts and evidence only add to this misperception.
- Although the same survey shows consumer confidence and retail trade confidence remains broadly stable, **industry confidence has once again declined**, in line with other recent surveys of the growing concerns of the EU's manufacturers.
- Processed food —those made by manufacturers—prices are now stabilising, in line with overall inflation. In contrast, continued inflation in unprocessed foods, such as beef, fruit, and eggs continues. Factors such as the growing negative effect of climate change brings increased unpredictability and therefore production lost. These issues are being discussed within the EU [Agri-Food Chain Observatory](#), which would also offer IMCO members an understanding of cost structures within certain supply chains, as well as how margins and added value are distributed along the chain.
- Household data has also shown an upturn, according to the latest data from Eurostat, showing an increase in [household savings rates to 15.4%](#), together with “*an increase of compensation of employees (wages and employers' social contributions)*”. Good news for the EU economy overall, given the intentions of the Savings & Investment Union [strategy](#) to put the EUR 10 trillion of Europeans' savings to good use in the attempt to rescue the EU's competitiveness.

AIM calls on EU policymakers to ensure **future debates are based on facts, fairness, and full representation**, and **warns against smokescreen narratives that distract from the real dynamics behind price formation.**

Retailers, not manufacturers, set shelf prices for all unprocessed food (which represents 30% of grocery sales), for their own private labels, and (uniquely in the only industrial sector in Europe) also for their competitors, manufacturers' branded products. Retailers set the market conditions in each market in the EU through their

pricing strategies. The European Central Bank has [confirmed](#) that price variation between Member States reflects commercial behaviour by retailers, not any alleged territorial restrictions imposed by suppliers.

Manufacturers of consumer goods do not restrict supply, as it is their wish to serve all the EU's 450 million consumers. Consumer goods manufacturing is the EU's third-largest industrial sector, moving over [€276 billion in goods](#) annually across the Single Market. With operations across the EU, with vast and complex supply chains with thousands of suppliers, we call on the European Parliament to ensure every voice is heard, and a balanced and fact-based approach to internal market policymaking is upheld.

For further information :

- [AIM Insight Paper on assortment and price differences in Europe](#)
- A [fact-sheet](#) on the issue of TSCs
- A [comprehensive myth-busting presentation](#) on TSCs
- Our [Fairness for All](#) initiative which seeks an internal market that is open, rules-based, and works for everyone.

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About AIM

AIM (Association des Industries de Marque) is the European Brands Association, which represents manufacturers of branded consumer goods in Europe on key issues that affect their ability to design, distribute and market their brands. AIM's membership comprises 2500 businesses ranging from SMEs to multinationals, directly or indirectly through its corporate and national association members.

More information: www.aim.be

