



JOINT STATEMENT

French Senate inquiry into grocery supply chain shows urgent need for stronger EU action on unfair trading practices

Brussels, 28 May 2026 — (AIM, AISE, Cosmetics Europe, and FoodDrinkEurope), the Associations representing Europe's consumer goods industry¹, welcome a [groundbreaking report](#) from the French Senate into commercial practices in the grocery supply chain. The report demonstrates the urgent need for action at EU-level to address the increasing challenge of retail concentration, behaviours of cross-border retail alliances, and the consequential negative impact on suppliers and consumers.

One of the most exhaustive investigations into retailer buying power in Europe

Described as one of the most extensive investigations into retailer buying power in recent years, the 402-page French Senate report draws on six months of hearings, inspections and testimony from 189 representatives of authorities, suppliers, retailers and enforcement bodies.

Its findings expose how increasingly concentrated cross-border retail alliances are intensifying pressure on suppliers across European grocery supply chains through opaque structures, coercive commercial practices and international service fees.

While conducted in France, the inquiry highlights structural issues affecting markets across the EU and raises serious questions about whether the current regulatory framework is equipped to address the growing impact of unfair trading practices on the EU's competitiveness.

Importantly, the report also recognises the severe limitations of the [EU Unfair Trading Practices Directive \(UTPD\)](#), notably the arbitrary €350 million turnover threshold, which excludes major international buying alliances from the Directive's scope. The report's call to extend the scope of the Directive and bring European buying alliances and central purchasing structures fully within its application should form a critical part of the forthcoming revision.

¹ Europe's Fast-Moving-Consumer-Goods industry is the third largest manufacturing sector in the EU, and the first when taking into account all primary production suppliers, comprising 300,000 enterprises. Categories cover: Food, Beverages, Home Care, Personal Care, Tissue & Hygiene, Pet Care.

Consumers are paying more while transparency and investment decline

Critically, the French Senate also found that whilst retailers argue growing concentration and purchasing pressure are needed to protect consumers' purchasing power, consumer prices, set by retailers for all goods on their shelves, have increasingly diverged in recent years from the prices negotiated by retailers with suppliers. The Senators found that while negotiated supplier prices rose 6-7 % due to increased input costs, consumer prices tripled, rising to a staggering 19% after 2021. This demonstrates that widespread claims by retailers that suppliers are responsible for higher prices through so-called "[territorial supply constraints](#)" [3] are falsely misleading governments across the EU. It highlights instead how aggressive "price wars" on a limited number of products can mask broader price increases, reduce transparency and obscure the real drivers of food inflation.

The report further warns that these practices weaken investment, innovation and long-term food security across Europe's supply chain

Growing retailer concentration is deepening imbalances across the supply chain

The imbalance of bargaining power between suppliers and retailers, and their alliances, continues to deepen. FMCG manufacturers' sales typically account for less than 2% of an alliance's sales to consumers, while members of a retail alliance can represent more than 10% — and up to 35% — of a supplier's turnover.[1]

At the same time, European retail alliances' share of the grocery retail market has doubled between 2015 and 2024 to reach 59%.[1]

The French Senate inquiry further found that:

- retailers can account for between 79% and 94% of a supplier's turnover, creating structural dependency;
- suppliers face delisting threats and order reductions of up to 70% in order volumes during commercial negotiations;
- retailers' international service fees can reach up to 40% of a supplier's turnover, with the Senate explicitly questioning both their proportionality and their genuine commercial utility for industry;
- retail alliances exert pressure across the entire value chain, affecting SMEs, mid-sized companies and farmers alike.

EU action required

The undersigned associations call for an ambitious revision of the Unfair Trading Practices Directive that will truly reflect market reality. This requires a removal of the arbitrary €350 million threshold and extension of protections to all grocery suppliers; bringing European buying alliances and cross-border purchasing structures fully within the scope of the Directive; and ensuring stronger protection against unfair trading

practices and abusive commercial demands to deliver fairness for all participants in the Single Market. [2] The EU must consider robust mechanisms that effectively prohibit coercive commercial practices by retailer alliances, address the regulatory gaps surrounding cross-border retail alliances, and ensure strong and consistent enforcement at EU level.

“This report sends a strong signal to European policymakers that the current regulatory framework is no longer fit for purpose, and if they are truly serious about a competitive Europe, with a fully-functioning Single Market, they should be ambitious in introducing stronger safeguards to address unfair and coercive practices” said Michelle Gibbons, Director-General of AIM.

Sources:

[1] Euromonitor; annual reports. Revenue share of retailers in Service Alliances of the total grocery retail market. Based on revenues of grocery retailers in Germany, Netherlands, France, Belgium, Sweden, Spain, Italy, Portugal, Czech Republic, Poland and Switzerland. Focus on Service Alliances negotiating primarily with A-brands, not only private label.

[2] Read AIM’s full position on the UTPD revision, [here](#).

[3] For a look at some of the flawed assumptions behind the narrative on TSCs, see AIM’s detailed input to the European Commission’s Call for Evidence [here](#).

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

About A.I.S.E.: A.I.S.E. is the voice of the cleaning and hygiene products industry. A.I.S.E. represents an industry that supplies essential detergents, cleaning and maintenance products, disinfectants and biocidal products for cleanliness and hygiene at home and in public spaces across Europe. Based in Brussels, the association has been the voice of the industry since 1952. Membership includes 30 national associations across Europe, 19 corporate members, and 18 value chain partners, collectively representing a broad network of over 900 companies supplying household and professional cleaning and hygiene products and services. The A.I.S.E. network works with EU and national decision-makers to strengthen the Single Market through innovative, science-based solutions that ensure user safety, environmental protection, and regulatory compliance. The industry is a substantial contributor to the European economy with an annual market value of €47,6 billion, directly employing 95 000 and 360 000 throughout the value chain. www.aise.eu.

About Cosmetics Europe: Cosmetics Europe is the European trade association for the cosmetics and personal care industry. For more than 60 years, Cosmetics Europe has been the voice of the cosmetics and personal care industry in Europe. Our members include cosmetics and personal care manufacturers as well as associations representing our industry at national level, right across Europe. For more information, please consult [Cosmetics Europe website](#).

About FoodDrinkEurope: FoodDrinkEurope represents the European food and drink manufacturing sector, the EU's largest manufacturing industry by turnover and a leading employer providing 4.8 million jobs across 310,000 enterprises. Based in Brussels, the organisation acts as a primary partner to European and international institutions, coordinating the expertise of hundreds of industry professionals. FoodDrinkEurope is dedicated to promoting policies, ideas, and innovations that ensure European food and drink products remain safe, high-quality, and delicious. By promoting regulatory balance, a fairer supply chain, and sustainable benchmarking, the organisation works alongside policy-makers and civil society to drive global competitiveness, support economic growth, and build a greener, healthier future for the entire food system. Find out more at: www.fooddrinkeurope.eu.