

Flash N° 4/2010

27 May 2010

IN THIS ISSUE

EuroCommerce Activities

- EuroCommerce meets Commissioner Andor
- EuroCommerce meets Barnier Cabinet
- EuroCommerce meets Dalli Cabinet

Food supply chain

- EuroCommerce speaks at EP hearing on the food supply chain
- MEPs have lively debate with EuroCommerce members on the Food Supply Chain

International Trade

- Success for EuroCommerce: Imports from developing countries more predictable
- Antidumping, Small Business Act: EuroCommerce urges improvements for SMEs
- Antidumping: New Treaty - New decision-making rules?
- Antidumping: Strengthening importers in the procedure – For a stronger Hearing Officer

Logistics

- European Parliament still reluctant to give full priority to rail freight transport

Payment Systems

- European Commission takes a timid step against Visa Interchange Fees

Social Affairs

- EuroCommerce participates in European conference on restructuring and social dialogue
- Maternity leave directive

CSR

- “CSR in Commerce” website launched
-

EUROCOMMERCE ACTIVITIES

EuroCommerce meets Commissioner Andor

A EuroCommerce delegation, led by President Dr. Rainhardt von Leoprechting met Social Affairs Commissioner Laszlo Andor. EuroCommerce reiterated the need for commerce to be fairly represented in the Tripartite Social Summit given the importance of the sector as the largest employer in the EU and its specific interests.

We also stressed the key role of commerce for Europe's economy and competitiveness and its capacity for job creation. More flexibility on the labour market and reductions in non-wage labour costs are essential to boost job creation, especially in times of crisis. The review of the working time directive should retain its original scope of protection of health and safety

in the workplace and the question of opening hours and Sunday work should remain out of scope.

Commissioner Andor agreed on the importance of increasing growth, competitiveness and employment as well as improving educational standards and skills. His aim is to achieve common goals, such as a more inclusive labour market, recognition of skills needs and professional mobility, through co-operation and exchange of views. He was sympathetic to the need for a more balanced representation of economic interests in the Tripartite Social Summit.

EuroCommerce meets Barnier Cabinet

On 30 April, EuroCommerce met Mr Arbault, from the cabinet of Commissioner Barnier, concerning the implementation of the internal market. After a brief presentation of the importance of commerce in Europe, discussion focused on the remaining barriers which block the sector from taking full benefit of the Internal market and which translate into higher prices for consumers.

EuroCommerce also raised a number of pending complaints, including recent national legislation, not justified by any overriding public interest.

In discussions on the food supply chain, EuroCommerce expressed concern at being targeted as the sector responsible any possible dysfunction - ranging from high prices to consumers to low incomes for farmers.

There is a clear need for the Commission's forthcoming communication on retail services to take a broader view of the distribution chain and to give decision makers and the public a clear understanding of the true nature of the chain, the actors and their specific roles. Contractual relationships between retailers and suppliers should also be dealt with. EuroCommerce hoped that any concrete initiative would be based on a sound evidence of need.

EuroCommerce meets Dalli Cabinet

On 28 April, EuroCommerce met Harry Vassallo, of the Cabinet of Commissioner John Dalli, Health and Consumer Policy. Mr. Vassallo is primarily responsible for animal health and welfare, as well as transport and international trade.

In this successful meeting Mr. Vassallo stressed that SMEs are very important for Commissioner Dalli, given that he comes from Malta, a small country. He has no intention of introducing labelling which is not useful and does not wish to disturb well established voluntary schemes. The responsibility to inform consumers must be proportional (beneficial/cost-effective). All these elements are in line with the EuroCommerce position.

Mr Vassallo agreed with the views of EuroCommerce, poultry processors/traders and farmers that salmonella should be tackled at source. The Commission is under pressure from the US on quality production and international competition. However, the annual death rate from salmonella was a matter of concern.

Other issues discussed: food supply chain, transport, international trade, internal market distortions and the impact of Visa/MasterCard on retailers and wholesalers.

Xavier Durieu, T: +32 2 737 05 91, delberghe@eurocommerce.be

EuroCommerce speaks at EP hearing on the food supply chain

Beside participating in various hearings and conferences (Council, Parliament, Commission and the Private Label Manufacturers Association) on the food supply chain issue, EuroCommerce contributed to the Parliament hearing on the food supply chain.

On 4 May, MEP José Bové (Greens/EFA, France) presented his draft report "Fair revenues for farmers: a better functioning food supply chain in Europe" to the EP committee for Agriculture and Rural Development. The report calls for several measures aiming to ensure farmers a fair and stable revenue. However, these measures would be detrimental to a well-functioning market economy.

In reply, EuroCommerce Secretary General, Xavier Durieu, agreed that European farmers need a fair and stable income stream. He regretted, however, the omission of the consumers' perspective from Mr. Bové's report, especially when addressing the private label issue. In his view, the proposals for a price observatory and annual reporting were unrealistic and unfeasible. He also strongly refuted the assertion that there was systematic abuse by wholesalers and retailers on buying practices.

He urged the Parliament to avoid confusion between the abuse of buyer power and its legitimate exercise and pointed out that existing EU and national competition rules are absolutely sufficient to handle malfunctions in the market.

The committee will vote on adoption of the Bové report on 28 June 2010, with the plenary vote in September.

MEPs debate with EuroCommerce members on the Food Supply Chain

The discussions on the Bové report on the food supply chain continued in a Parliamentary lunch debate organised by EuroCommerce on 11 May. Our host, Austrian MEP Elisabeth Köstinger, shadow for the EPP group, opened discussions, followed by a presentation from EuroCommerce President, Dr von Leoprechting on the role of commerce as the closest link in the supply chain to the consumer.

An intense debate followed, involving MEP Astrid Lulling (Lux, EPP) and MEP Mairead McGuinness (Irish, EPP) and numerous others. In total, some 60 people took part, including MEPs, parliamentary assistants, advisors from the Secretariat of the European Parliament, Commission officials and senior commerce representatives.

To coincide with this event we launched a new brochure: "Consumers Come First", available at:

www.eurocommerce.be/publications/manifestos or upon request
(guedes@eurocommerce.be)

Jürgen Noack, T: +32 2 737 05 81, noack@eurocommerce.be

Success for EuroCommerce: imports from developing countries more predictable

Companies importing from developing countries are now on safer ground, thanks to proactive lobbying by EuroCommerce. The Commission has announced the extension of the current Generalised System of Preferences (GSP) by two years to the end of 2013. The rules will remain unchanged, with one possible (advantageous) exception: Pakistan may be granted tariff-free imports under the so-called "GSP plus". The extension will give Commission, Parliament and member states time to formulate a new scheme and to publish details a year in advance.

This decision is the direct result of efforts by EuroCommerce, who requested a simple, stable and predictable GSP both in a paper in 2009 and in the decisive Commission conference in March 2010. Our message has been heard: this month, Trade Commissioner De Gucht told Parliament that the GSP must provide “predictability and simplicity”.

EuroCommerce is currently working on its contribution to the next GSP scheme and DG Trade is carrying out an unprecedented stakeholder consultation – also at the request of EuroCommerce. In a written contribution – currently being finalised with members’ active support – EuroCommerce will also strongly defend its sector’s position in the meeting of the GSP civil society dialogue on 26 May.

Antidumping, Small Business Act: EuroCommerce urges improvements for SMEs

Will the Small Business Act bring improvements for SME importers suffering from EU trade defence measures? A consultation currently organised on behalf of DG Trade is looking into possible improvements to the antidumping procedure for SMEs. EuroCommerce has responded with strong support from members throughout Europe generating pressure to favourably influence the study. Results should be available this summer. EuroCommerce will insist on tangible changes to benefit importers and retailers, as already successfully demonstrated in the framework of the transparency initiative.

Antidumping: New Treaty - new decision-making rules?

From December 2009, the European Parliament has had co-decision rights on international trade matters. However, special decision-making rules which omit the EP, and which include rules on EU trade defence instruments, continue to be valid. European institutions must now decide whether and how the rules should be changed. The Commission believes this is their sole decision, but some political groups in the Parliament believe they should also have a role. The debate is expected to be long and intense. EuroCommerce is actively lobbying on the issue.

Antidumping: Strengthening procedure for a stronger Hearing Officer

For three years, importers and retailers perceiving violation of their procedural rights in trade defence investigations have been able to receive support from the DG Trade Hearing Officer (<http://ec.europa.eu/trade/tackling-unfair-trade/hearing-officer/>).

EuroCommerce has participated in an evaluation of the role and work of the Hearing Officer. While general satisfaction was expressed with his work, it emerged that members would like to see his role strengthened. EuroCommerce enjoys a successful dialogue with the Hearing Officer, who is a frequent guest at our International Trade Committee meetings.

Ralph Kamphöner, T: +32 2 737 05 88, kamphoener@eurocommerce.be

LOGISTICS

European Parliament still reluctant to give full priority to rail freight transport

On 4 May the EP’s Transport Committee approved at second reading the Commission proposal on “European rail network for competitive freight”, which will allow trains to pass easily from one national network to another. This legislation aims to reduce traffic congestion by establishing international freight corridors managed by cross-border infrastructure authorities and ‘one-stop shops’ for the allocation of train paths. EU freight corridors would link at least two member states and would be part of the Trans-European Network for Transport (TEN-T) programme and hence eligible for EU funding.

The proposal will give priority to rail freight to increase its use. Rail is currently the least integrated transport mode at EU level, leading to delays, extra costs and insufficient use. Road transport is consequently overused. Although, since liberalisation of the European rail freight market in 2007, network use has increased, this has now made international coordination necessary.

EuroCommerce supports the proposal as it will enhance the attractiveness of freight transport by rail with positive effects for its commercial viability, reduction in air and noise pollution and CO2 emissions.

Parliament was reluctant to give priority to rail freight at first reading. Although they rejected the proposed definition of "priority freight", they agreed that reserved train paths guaranteeing punctuality should be allocated to time-sensitive goods ("facilitated freight"). Moreover, MEPs insisted that the decision to create more corridors should be left to member states, on the basis of market needs. However, within two years member states with at least one direct rail link to other member states would have to allow at least one freight corridor, unless they could show absence of any economic benefit. MEPs also amended the legislation to better promote links with sea and inland waterway ports, to stimulate intermodal freight transport and so lighten heavy-goods traffic on European roads. A number of port cities, such as Le Havre, Bilbao and Naples, were included in the itineraries of the corridors.

The vote in plenary is scheduled for June.

Fatma Sahin, T: +32 2 737 05 96, sahin@eurocommerce.be

PAYMENT SYSTEMS

European Commission takes a timid step against Visa Interchange Fees

The new Competition Commissioner Almunia issued a statement on the Visa case on 26 April, indicating his willingness to accept commitments on Visa debit. As complainant in this case; EuroCommerce replied to the Statement of Objections on Visa in November 2009 and participated to the oral hearing on 1 December.

For MasterCard, the Commission accepted commitments in April 2009 on fee levels (0.30% on credit cards and 0.20% on debit cards) and on transparency, based on the 'tourist test' (or 'merchant indifference test') methodology. EuroCommerce has strongly argued against this test and on the levels of the acceptable fees. However, in order not to give competitive advantage to one of the card schemes, it was always likely that the Commission would make a similar ruling against Visa.

The commitments offered by Visa only tackle debit card fees for consumer cards: as for MasterCard, the weighted average fees on Visa cards would not exceed 0.20%. The Commission will now consider the proposed deal and conduct a market test. A final ruling on debit will follow, although the case on credit cards and other anti-competitive rules remains open.

This represents a significant reduction in the fees merchants will pay to their banks, and adds tangible results in 8 member states (which is a better result than the MasterCard commitments). As previously announced, EuroCommerce will be consulted further on the methodology used and data on the cost of cash is more important than ever.

Want to know more?

- European Commission decision:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/462&format=HTML&aged=0&language=EN&guiLanguage=en>

- EuroCommerce press release: [http://www.eurocommerce.be/press & events / press](http://www.eurocommerce.be/press&events/press)

Ruth Milligan, T: +32 2 737 05 95, milligan@eurocommerce.be

SOCIAL AFFAIRS

EuroCommerce at conference on restructuring and social dialogue

EuroCommerce presented its views on social dialogue at EU level at a conference on 4-5 May. The conference, supported by DG Employment, examined the impact and the results of social dialogue in anticipating changes and restructuring in a Europe faced with crisis. Taking part were representatives of national and EU-level sectoral and cross-industry social partners organizations, company and European Works Councils of various countries, journalists and social scientists from various countries. The Commission, the Economic and Social Committee (Consultative Commission for Industrial Change) and the Dublin Foundation for the improvement of Living and Working also attended.

Ilaria Savoini, T: +32 2 737 05 82, savoini@eurocommerce.be

SOCIAL AFFAIRS

Maternity leave directive – vote postponed

Due to disagreement among the political groups in the European Parliament on the revision of the maternity leave directive, the vote in plenary has been postponed. In the meantime, the Commission has been asked to carry out an impact assessment on the duration of maternity leave (i.e. how many weeks are reasonable and justifiable) and on the feasibility of paternity leave. The impact assessment will give a clearer picture on possible costs of proposals from the FEMM and EMPL committees. The final impact assessment is expected at the end of June. The vote in plenary could then take place in July.

Jürgen Noack, T: +32 2 737 05 81, noack@eurocommerce.be

CSR

CSR in Commerce website launched

On 27 April 2010, EuroCommerce launched a new internet platform on CSR to coincide with a conference in Brussels entitled "Corporate Social Responsibility in commerce – can commerce companies make the difference?". Some 150 different voluntary initiatives from commerce companies and associations are showcased on the new website. These range from working conditions, human rights protection and environmental products to health and safety issues and social involvement. In addition, users can find general information on this website about the CSR activities of EuroCommerce and its members, a news and events section, a document library and a stakeholder forum. The website will be updated on a regular basis.

EuroCommerce members are invited to contribute with good practices and information about their CSR activities.

Further information: www.csr-in-commerce.eu

Jürgen Noack, T: +32 2 737 05 81, noack@eurocommerce.be
