



RETAIL INDUSTRIAL ECOSYSTEM

Retail is the largest industrial ecosystem in the EU economy and the biggest private employer in the EU. On a daily basis, the ecosystem serves 450 million EU consumers who spend one third of their household budget on shopping. Small and medium enterprises are the backbone of the ecosystem. Retail also forms a key part of the social fabric in urban and rural areas of the EU, providing jobs at local level, contributing to the local economy, facilitating lives of consumers and helping maintain vibrant city and town centres.

KEY FACTS AND FIGURES



Employs **30 million people**



Brings **11.5% of value added** to the total EU economy



Consists of **5.5 million companies**



Marked by variety of business models including **integrated value chains, franchises, cooperatives, independent retailers and SMEs.**

KEY CHALLENGES



Rapid technological development: Digitalisation is changing the role of physical stores, with retailers increasingly providing omnichannel solutions, combining traditional brick-and-mortar shops with e-commerce, new online services and delivery solutions.



Growing demand for greener and more ethically produced goods and services: Businesses are striving to make their operations greener and increase their offer of sustainable products as well as address consumer concerns about ethical issues. At the same time businesses struggle to balance new investments for greening and sustainability with the need to guarantee low prices for consumers.



Persisting skills gaps: the transformation will require not only analytical and technical skills, but also sustainability skills as well as soft skills such as consumer advice and communication.

MAKING THE RETAIL ECOSYSTEM GREENER, MORE DIGITAL AND MORE RESILIENT

The European Commission, published a Transition Pathway for a more resilient, digital and green retail ecosystem in March 2024. This is a dynamic roadmap to support the green and digital transition of the retail ecosystem and improve its resilience which has been co-created together with a broad community of stakeholders. To make the transition pathway a reality, a list of actions identified in the transition pathway will implemented by the stakeholders, with the support of the Commission.



SUPPORTING THE TRANSITION



SECURING THE RIGHT SKILLS FOR THE TRANSITION

The Commission supported the launch of a large-scale skills partnership for the retail ecosystem by Eurocommerce and Uni Europa in 2023 to help equip workers in the retail ecosystem with the necessary skills for the green and digital transition. The partnership aims to promote a culture of lifelong learning, help share best practices and monitor and anticipate the need for specific skills in the sector.



CREATING AN ENABLING REGULATORY FRAMEWORK

Since 2018, the Commission has been monitoring the level of retail restrictions in Member States through the Retail Restrictiveness Indicator (RRI). The RRI allows comparisons across countries, enabling Member States to learn from tried-and-tested regulatory solutions applied elsewhere and identify areas where they can make improvements to ensure a favourable business environment and a well-functioning Single Market for retail. RRI data is available through an interactive online dashboard.



SUPPORTING SMALL RETAILERS

Since 2018, the Commission has been helping small retailers embrace technological change and meet the challenges of the future through the #RevitaliseRetail initiative. This support includes sharing best practices and practical information and advice through workshops for retail SMEs and other stakeholders.



IMPROVING THE BUSINESS ENVIRONMENT

Non-regulatory barriers such as territorial supply constraints make it difficult or impossible for retailers to buy products in one Member State and resell them in other Member States. This has the effect that in some countries, consumers are paying more than what they should for products they use daily. The Commission will organise a dialogue between the main actors concerned and if necessary, will issue guidance at EU level.