

## Mondelez €337.5 million fine is a step forward for the Single Market

Today's fine is the outcome of an extensive <u>Commission investigation of Mondelez's actions</u> that clearly signals that practices by large manufacturers known as <u>territorial supply constraints</u> must end. The Commission concluded that Mondelez used illegal practices to prevent retailers from freely sourcing in the Single Market, to avoid price decreases in countries with higher prices.

Christel Delberghe, Director General of EuroCommerce, the association representing retailers and wholesalers, commented: "Now is the time for the Commission to act beyond individual cases. Retailers and wholesalers have been hindered for far too long by the practices of large manufacturers who deny them the freedom to source products where they want to in the Single Market. In this case, Mondelez prevented suppliers from selling chocolate, biscuits and coffee to retailers and wholesalers as part of a deliberate strategy that meant they could not seek out the best deal across the EU. This, ultimately, means that at a time when household budgets are under immense strain, some EU consumers are paying more than their neighbours when they can least afford it."

The investigation by the Commission concerns practices used by large manufacturers limiting which goods are made available for sale across the EU. These unfair practices can take the form of refusing to supply particular products from a specific branch to a retailer based in another country or limiting the number, range or languages used on packaging. This makes it difficult for retailers to go to the branch of a multinational supplier that may be offering a better price or a wider choice. A <u>Commission</u> study estimates that this costs consumers at least  $\leq 14$  billion across the EU.

Concluding, Christel Delberghe, added: "This decision also comes on the eve of a discussion in the Competitiveness Council on the Future of the Single Market in Brussels. It is time for the Commission to act and stop large manufacturers from denying retailers and consumers the benefits of a truly <u>#SingleMarket4All</u>."

## Note to editor:

Territorial supply constraints have been gaining attention across the EU, in addition to the <u>Benelux</u> <u>countries</u> that have long complained of the problem. Recently, the <u>Czech Prime Minister</u> highlighted the different prices with its neighbours and the <u>Greek Prime Minister</u> has called on the Commission to take action. Several member states are currently supporting a Dutch non-paper that calls on the Commission to prohibit unfair practices in territorial supply constraints that discriminate a retailer and wholesaler on the basis of their place of establishment through existing or new EU rules.

For more information, please see: It's high time for the Single Market to benefit all - EuroCommerce

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**EuroCommerce** is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.

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