

Teresa Ribera

Executive Vice-President, Clean, Just and
Competitive Transition
European Commission

By e-mail

Brussels, 24 March 2025

Subject: Concerns about price transparency and price intervention measures

Dear Ms Ribera,

We want to express our deep and urgent concerns about a **draft order**¹ **announced by the Romanian Consumer Protection Authority (ANPC)** that would oblige *“economic operators (...) to inform consumers, by writing on the product or in the immediate vicinity where the product is displayed of the mark-up applied to the product in relation to the producer's basic price, in the same field of vision in which the price is displayed and using the same fonts, colour, size and other characteristics as those used to highlight the price of the product”*. De facto that means that in our view retailers would have to publicly disclose per product their gross margin. The measure would apply to **all products sold online and offline to consumers**. We believe that such a measure would force our members to disclose commercially sensitive information which will **distort competition** in the Romanian retail market. We ask you to uphold the principle of an open market economy with free competition, as enshrined in the Treaties, with the utmost urgency.

The ANPC has invited comments by 28 March, giving market players less than two weeks to submit any views. According to the text of the draft order it will enter into force thirty days after publication in the Official Gazette of Romania. Therefore, it could be applicable from the end of April.

Impact on free competition

ANPC argues that the measure will improve transparency for consumers and that it will *“help consumers make rational choices, in full knowledge of the facts”*. We strongly support transparency for consumers, but we believe that **this measure will disclose commercially sensitive information to competitors**. This will distort competition in the Romanian market and in the end may lead to unintended consequences for consumers by undermining competition. We also believe that **such a measure is disproportionate to the public policy objective that the ANPC aims to achieve**: *“Through the information made available to him, the consumer has the opportunity to optimize his choice according to his own economic criteria, eliminating products that do not correspond to them.”* The ANPC does not provide any argument or evidence that would indicate that currently Romanian consumers are not able to make informed choices. The **Romanian retail market is highly competitive** with many players across product categories, online and offline, which contributes to better value and choice for consumers.

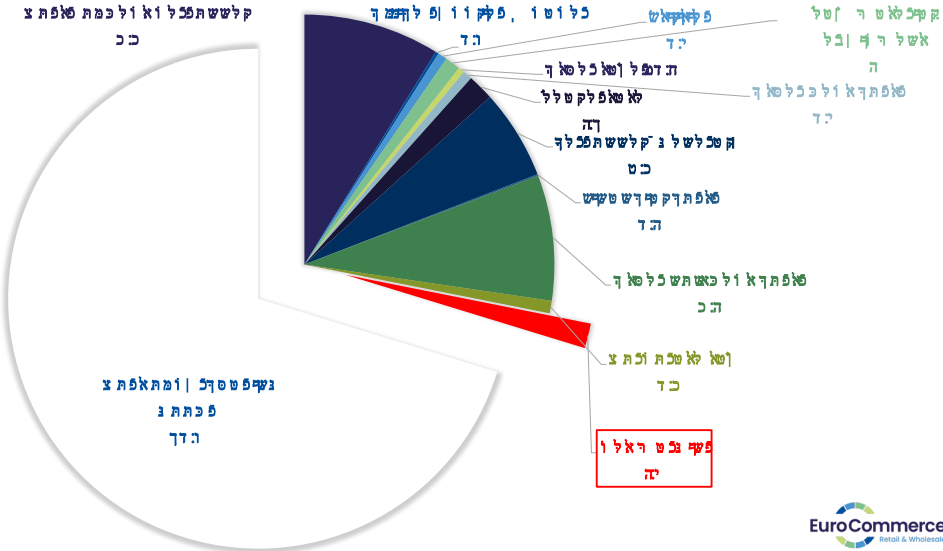
¹ [referat-si-Ordin-site.pdf](#)

In 2022, the Portuguese Competition Authority explained the value of maintaining competition in times of inflation. Their recommendations, summarised in their press release² and paper³, note that, **“In times of inflation, the AdC reiterates that each firm must set its prices and strategies in the market autonomously (vis-à-vis their competitors), avoiding public price announcements that involve invitations to collude.”**

According to the principle of sincere cooperation, Member States are not to take measures that could jeopardise the application of EU law. While market transparency can be beneficial and help customers make informed choices, publishing market strategy or technical information, as it would be in this case, could actually reduce competition and harm consumers and suppliers alike. For the following reasons, amongst others:

Margins are not equal to profit.

29,8% gross margin only leaves a 1,6% net margin



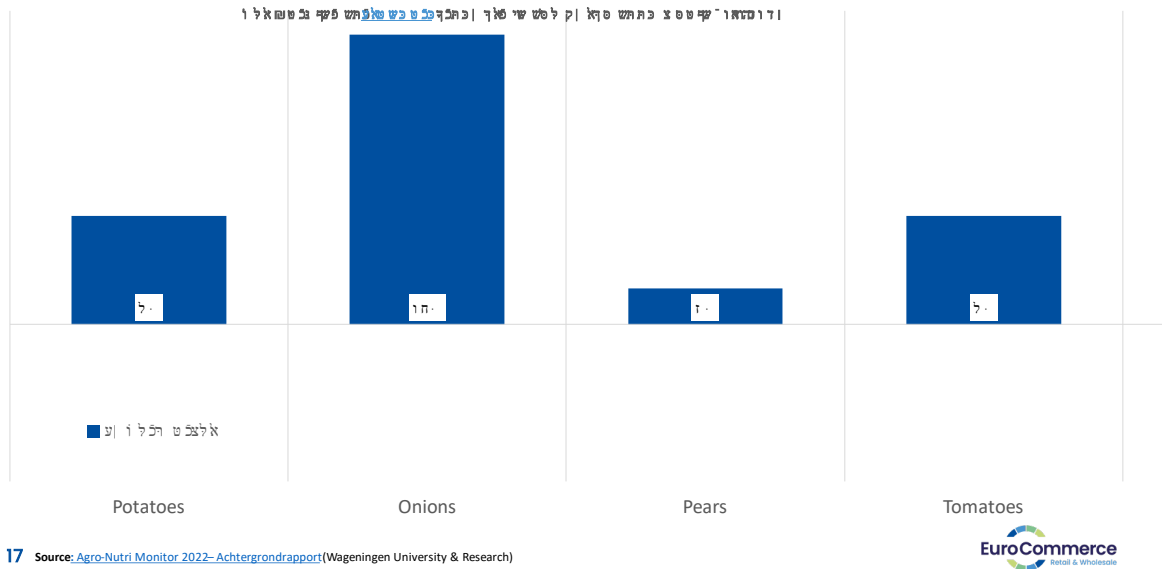
27 Source: OFPM, 2023



² [AdC publishes paper on competition and purchasing power in times of inflation | Autoridade da Concorrência](#)

³ [Competition and purchasing power in times of inflation.pdf](#)

Retail is a multi-product business and its approach is based on overall profitability across all departments



In general, we believe that intervention in retail prices does not help consumers. Several authorities and independent studies in the Netherlands, Germany, Lithuania, Denmark, Sweden, the UK, Czechia, Spain, Austria and Belgium following the high inflation in the past years confirmed that:

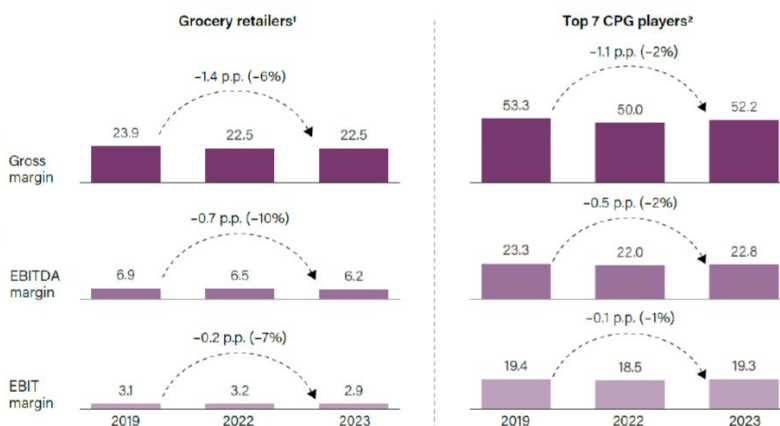
- i. consumer prices followed general price developments and did not increase more than justified by increased costs;
- ii. retailers' margins experienced pressure and decreased; and
- iii. costs rose more than retail sales prices.

Furthermore, as presented by Professor Alan Mathews at the Agri-Food Chain Observatory on 13 March 2025, there is no evidence of profit taking in the EU.

European experience seems different again..

Compared with 2019, margins in 2023 were lower for both retailers and consumer packaged goods companies.

Margin performance, %



Source: McKinsey, The State of Grocery Retail 2024

Price regulations are undermining competition

In addition, we would like to highlight a number of other price regulation measures at retail level that we believe to be disproportionate.

1. 'Temporary' Romanian Margin Caps (in force since 1 July 2023)⁴

- i. the commercial markup applied by the processor is a maximum of 20% compared to the production cost of the product
- ii. the commercial mark-up applied by the trader for retailers and wholesalers is a maximum of 20% compared to the purchase price
- iii. initially applied to 14 food products, now to 17
- iv. the temporary measure has been extended until now

2. Hungarian Margin Caps (in force from 24 March 2025)⁵

- i. Retail margins are maximised at the average margin applied in January 2025 but not higher than 10%
- ii. applies to 30 food product categories
- iii. the measure on 31 May 2025
- iv. the Hungarian government may reintroduce price caps on food products if it is not satisfied with the results of the measure. September 2024 the Court of Justice of the European Union ruled price caps were disproportionate.⁶

3. In Bulgaria the government is also working on a legal proposal that would cap retail margins.

- i. No further details yet

In the near future, inflation will increase again as the cost of energy and inputs, such as fertilisers, rise. Despite our sector's efforts to cushion consumers as best as possible from these effects, as we also did during the last cost-of-living crisis, with low margins (usually between 1-3%) this will not be sustainable in the long run. As we set out at the peak of the inflationary crisis in 2022, prices depend on supply and

⁴ GEO no. 67/30.06.2023

⁵ Government Decree 42/2025 (III. 11.)

⁶ Case C-557/23

demand; interfering with these mechanisms will have several unintended consequences, such as shortages and damage to the viability of businesses throughout the supply chain.

We also note, that the decree is applicable to all products sold in stores and online, but it is not clear how the ANCP will ensure efficient and effective enforcement over all players targeting Romanian consumers, especially those from third-countries. This will undermine the competitiveness of Romanian retailers⁷ and also goes against the plans you presented on ecommerce in February this year.⁸

We fear that without a strong signal from the European Commission, price regulatory measures at retail level will become the norm in our sector. However, as we note above, evidence shows that retail is not the cause of higher prices⁹ and price regulatory measures may increase inflation¹⁰ and undermine competition, which is to the detriment of consumers' interests.

We are at your disposal to provide more information and a meeting with you or your services.

Yours sincerely,

Christel Delberghe
Director-General

⁷ For more information see our campaign against unfair competition from third country players www.eurocommerce.eu/compliance4all

⁸ [Communication: A comprehensive EU toolbox for safe and sustainable e-commerce](#)

⁹ Several Member States have looked into the food value chain in the context of high inflation (see for example [Belgium](#), [Slovakia](#), [Denmark](#), [Czechia](#), [Austria](#), [Spain](#)) and found no unexplained price increases.

¹⁰ [Presentation National Bank of Hungary, 5 December 2022](#)