



Unfair Trading Practices (UTPs) in the food supply chain

IMCO workshop
Brussels, 24 March 2015

Gerd Heinen, Policy officer retail services

Features of the food supply chain

**Increasing imbalances of bargaining power,
i.e. a few large and many small players on
both sides of the market**

Tense commodity markets

Price pressure from consumers

Under such conditions, increased risk for UTPs

Existing approaches to tackle UTPs

At EU level:

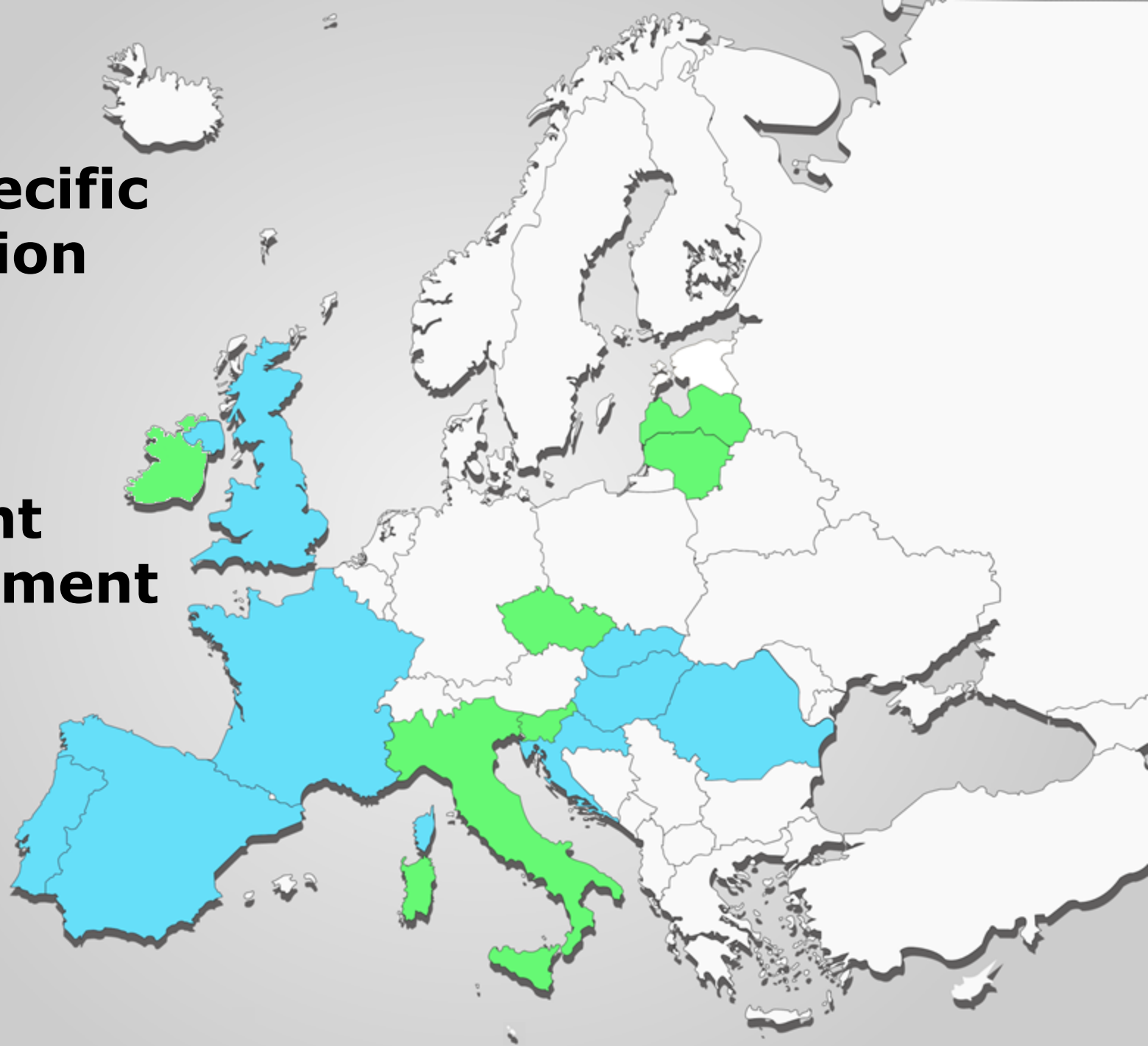
- **Voluntary Supply Chain Initiative**

At Member State level:

- **UTP-specific legislation**
- **Modifications of competition law**
 - **Voluntary schemes**
 - **No dedicated action**

**UTP-specific
legislation**

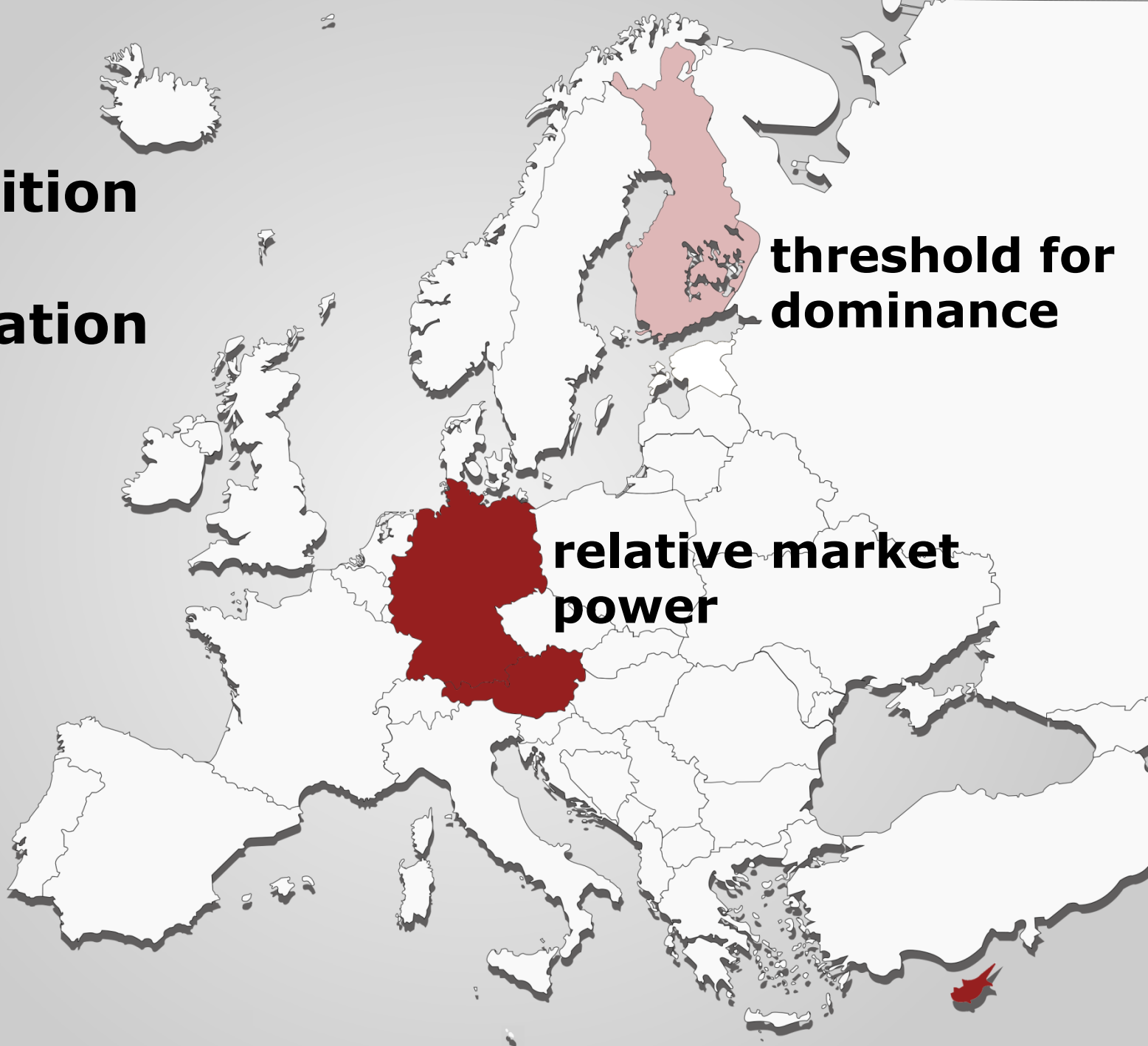
**Different
enforcement
models**



**Competition
law
modification**

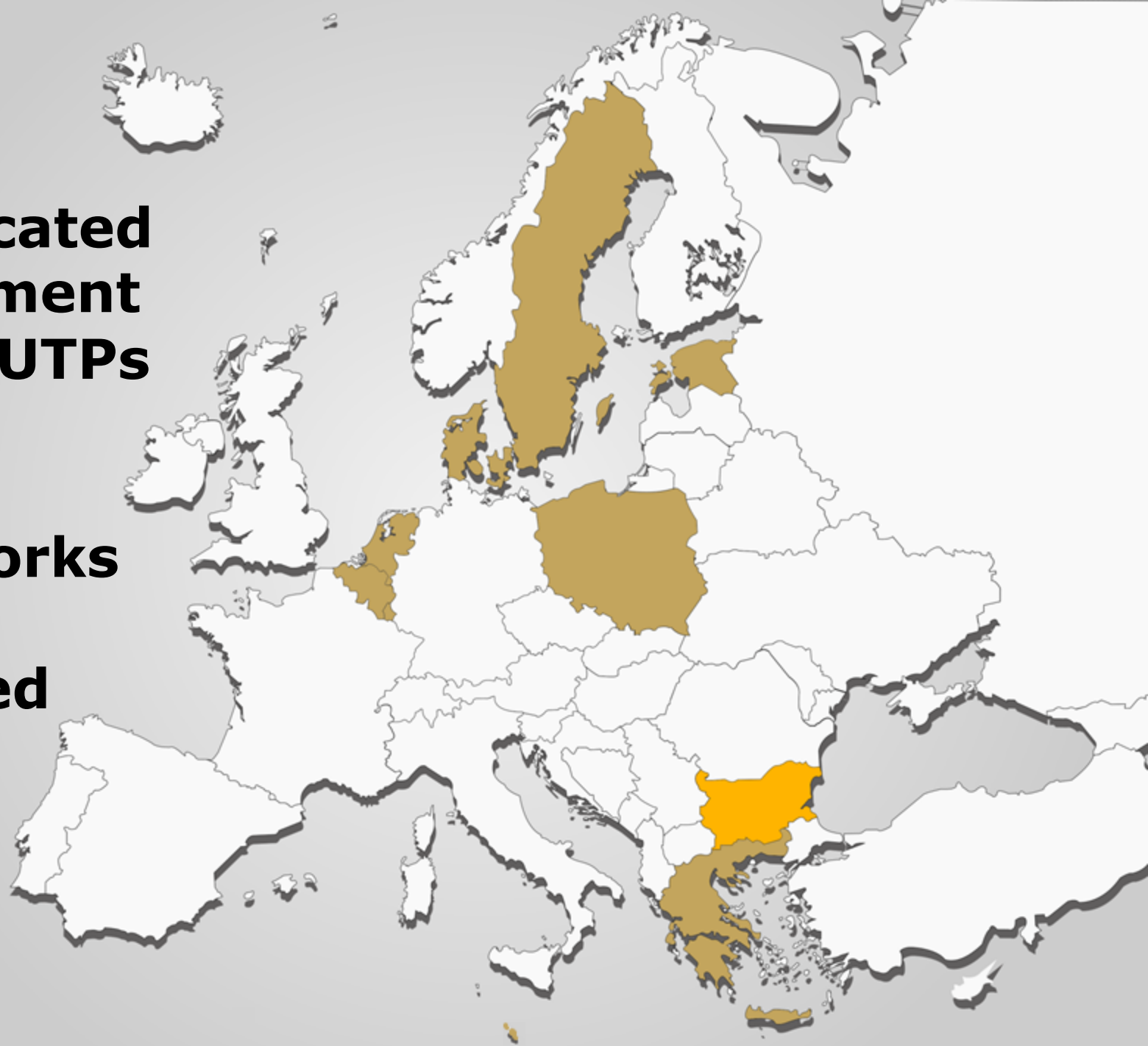
**threshold for
dominance**

**relative market
power**



No dedicated enforcement against UTPs

New frameworks being discussed



Conclusions leading to EU policy action

- EU competition law insufficient to tackle UTPs
- SCI framework very important achievement but some inherent shortfalls
- Common understanding of best practices across EU beneficial
- Effective enforcement at national level crucial

Why Communication instead of EU legislation?

- UTPs mostly applied at domestic level
- Many Member States already addressing UTPs or planning to do so
- Enforcement is key but difficult to define "one-size-fits-all" solution
- SCI framework should have proper chance to prove its value



Communication

Addressed to market participants, Member States and Commission

Built on three pillars:

- Support of SCI
- EU-wide standard for principles of best practice
- Effective enforcement at national level

Next steps

- Independent assessment of SCI and national platforms in 2015
- Analysis of national frameworks;
- Meetings with Member States to exchange best practices and facilitate coordination
- Report findings back to EP and Council
- Decision whether further EU action required



Thank you for your attention!

Gerd Heinen

Policy officer retail services

Directorate-General

Internal Market, Industry, Entrepreneurship and SMEs