



27.6.2024

## NOTICE TO MEMBERS

**Subject: Petition No 0235/2024 by Agustin Villalba Carmona (Spanish) on providing EU support for street retail**

### 1. Summary of petition

The petitioner expresses concerns about the gradual disappearance of a business niche such as the street commerce in Andalusia. This street retail is important as it supplies small rural towns and contributes to maintain the population linked to its territory, serving a very specific clientele. The street commerce and its weekly market offer people the opportunity to interact in small municipalities (774 municipalities of Andalusia) and revitalizes the economy. The petitioner calls the European Commission to support the sector of the street retail.

### 2. Admissibility

Declared admissible on 22 March 2024. Information requested from Commission under Rule 227(5) (New Rule 233(5)).

### 3. Commission reply, received on 27 June 2024

#### *The Commission's observations*

Thank you for bringing the challenges faced by itinerant trade to the Commission's attention. Retail is a very important ecosystem for the economy. It amounts to 11,5% of EU value added and directly employs more than 29m people.

The SME (Small and Medium-sized Enterprise) dimension is a major feature of the ecosystem: 5.5m companies are active in the ecosystem, 99 % of which are SMEs. In addition, retail SMEs are a key element of the social fabric for urban and rural local communities. They offer proximity, support local economies and contribute to the vitality of city-centers. The Commission agrees that itinerant trade and open markets represent an important source of supply notably for some categories of consumers and citizens living in remote areas. They keep

communities alive and play an important role in connecting people. They are part of the European way of life.

The Commission strives to support the competitiveness of SME retailers. They face specific difficulties in embracing the digital and green transition. Since 2018, the Commission has launched dedicated actions to support retail SMEs under the Revitalise Retail initiative<sup>1</sup>. In this context, in 2018, the Commission published a Guide entitled “Facing the future”<sup>2</sup>. It is a practical guide for fostering the revitalisation and modernisation of the small retail sector. Based on the Guide, the Commission organised workshops to encourage an exchange of experiences, solutions and success stories.

More recently, on 12 March 2024, the Commission published a report entitled ‘A transition pathway for a more resilient, digital and green retail ecosystem’<sup>3</sup>. This report has been co-created with a broad community of retail ecosystem stakeholders. It identifies actions to support the transition and, in particular, encompasses more Revitalise Retail actions to support the twin transition of retail SMEs. One of these actions find its roots in a petition presented to your committee to create a European Capital of Small Retail. The European Parliament proposed a preparatory action that the Commission agreed to implement. It is ongoing and the European Parliament will be informed.

The Commission also launched a joint project with the OECD (The Organisation for Economic Co-operation and Development) on the twin transition and the future of retail SMEs in urban and rural areas. The aim is to improve the understanding and adaptation of EU retail SMEs to the digital and green transition. In this context we will look at various forms of retail, such as closed historical markets and also street vendors.

Soon, the Commission will publish a study on the twin transition of retail SMEs which will provide insights of SMEs’ experience in embracing the digital and green transition. It will provide a compendium of success stories which will be available in all EU languages. One of the success stories presents a case of successful digitalisation of a street vendor from Asturias in Spain.

### *Conclusion*

To conclude, while the Commission agrees that itinerant trade plays an important economic and societal role in urban and rural communities, and that it constitutes intangible heritage, it does not have the power, nor the budget to carry out directly the actions proposed by the petitioner and to subsidise the purchase of electric vehicle for itinerant traders. It cannot either subsidise the digitalisation of marketplaces or the share of itinerant traders in the Cooperatives of Associated Trade. In the same way, the Commission cannot interfere with tax policies of municipalities.

In application of the subsidiarity principle, these matters fall within the competence of national, regional or local authorities. These authorities are responsible for managing EU funds that could be dedicated to the above-mentioned activities. More information on the funding opportunities could also be provided by the Enterprise Europe Network in Spain ([EEN Spain - Enterprise Europe Network \(https://een-spain.es/\)](https://een-spain.es/) which supports EU businesses locally.

The Commission, however, will continue to pursue its Revitalise Retail initiative which

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<sup>1</sup> [https://ec.europa.eu/growth/single-market/single-market-services/retail-services/revitalise-retail-workshops\\_en](https://ec.europa.eu/growth/single-market/single-market-services/retail-services/revitalise-retail-workshops_en)

<sup>2</sup> <https://op.europa.eu/en/publication-detail/-/publication/d606c517-4445-11e8-a9f4-01aa75ed71a1/language-en>

<sup>3</sup> [https://single-market-economy.ec.europa.eu/publications/transition-pathway-more-resilient-digital-and-green-retail-ecosystem\\_en](https://single-market-economy.ec.europa.eu/publications/transition-pathway-more-resilient-digital-and-green-retail-ecosystem_en)

provides a forum to exchange views, ideas and best practices across the EU, including on itinerant traders and markets. Best practices, experiences and success stories shared through this initiative may inspire competent authorities and retailers. Itinerant traders and markets are an important aspect of both the future Capital of Small Retail and of the Commission's joint project with the OECD. Also, within the framework of the implementation of the Transition Pathway for a more resilient, digital and green retail ecosystem, the Commission will set a platform where stakeholders will be able to submit pledges and commitments and exchange with each other, including on funding opportunities for various forms of local retail.