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AND THE COMMITTEE OF THE REGIONS

WHITE PAPER ON COMMERCE

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CONTENTS

<u>INTRODUCTION</u>	1
I. THE CONTEXT AND PURPOSE OF THE PRESENT DOCUMENT	2
II. AN ANALYSIS OF THE SECTOR	3
A. Importance of the sector	3
B. Trends and structural changes	3
III. DEVELOPING A STRATEGY FOR COMMERCE : THE KEY ISSUES	4
IV. MAJOR PRIORITIES FOR ACTION	5
A. Improving the use of policy instruments to assist commerce;	5
1. Better understanding of the sector	6
2. Changes in the structure of commerce: new challenges for policy	6
B. Improvement of the administrative, legislative and financial environment	7
1. Simplification of administrative procedures	7
2. Access to finance	8
3. Improving the dialogue between commercial enterprises and their partners (employees, consumers, credit institutions)	9
C. Strengthening competitiveness and promoting entrepreneurship	12
1. Electronic commerce	12
2. Co-operation between businesses.....	13
3. Training	14
4. Commerce in rural and less-favoured urban areas	15
5. Commerce and tourism	16
6. Commerce and the environment.....	17
D. Encouraging Europeanization and internationalisation.	18
1. The euro.....	18
2. International trade.....	19
3. Enlargement of the European Union.....	20

<u>Annexes:</u>	I. Action Plan with timetable
	II. Financial information

INTRODUCTION

This White Paper is about how commercial enterprises and their suppliers provide what consumers want, in terms of choice, quality, price and service. Commerce (used in this White Paper to mean the same as the term "distributive trades") employs some 22 million people in the European Union, making it one of the largest sectors of the economy. The performance of the sector has a major impact on the lives of the citizens of Europe:

- in making available to them a very wide variety of merchandise, with a range of prices to suit all sections of society;
- in contributing to the quality of life in towns and cities, where shopping facilities constitute the focal point of much human activity;
- in the maintenance of good environmental, ethical and social standards as regards the products and services which it sells.

Commercial enterprises need to be competitive to survive. A good level of competitiveness means growth and profitability. This is good not only for the owners of shops but also for consumers in terms of quality and continued provision of services. Increased competitiveness is a way to protect existing jobs and to create new sustainable jobs.

This White Paper is an expression of the recognition of the role which commerce plays in the economic, social and cultural life of the European Union. It is a policy document with ideas for shaping Community activities so as to reinforce its contribution towards improving competitiveness in the sector, in the knowledge that this is the best way to continue to play the role described above and to maintain its position as the second largest employer in Europe.

The activities of the European Union already affect commerce in a great many ways. Commerce already takes indirect advantage of Community policy instruments, in such fields as regional development, environmental and consumer protection, research and training, to help to strengthen its competitiveness. However, this can be reinforced by maximising understanding of such opportunities by enterprises, at both Community and Member States levels. It is necessary to ensure that the circumstances of commerce are fully understood in the debates on future Community policy initiatives.

One of the keys to achieving optimum use of existing Community instruments lies in widening knowledge about commerce among decision-makers at all levels. The question of recognition of the sector, of spreading knowledge about it, is one of the points which came out most strongly in the reactions to the Green Paper on Commerce, published in 1996. Commerce is not always recognised as an important sector of the economy, when policies which affect it are formulated.

Acknowledging the need to reinforce recognition of the sector cannot be done by a few sweeping legislative measures but rather through careful attention to the interfaces between commerce and Community policies. Many actions of modest size individually will, when taken collectively, help in increasing the competitiveness of the sector both directly and also, by putting commerce "on the map", help to ensure that maximum value added is taken for the sector from Community policies.

The scenario may be summarised as follows: this White Paper is a policy paper, which will further develop the issues of particular concern to the sector. The best contribution which commerce can make to the large-scale provision of good jobs in the future is by increasing its competitiveness. The Community can make a contribution to this by direct actions and by

raising the sector's profile. A summary of the actions proposed and an implementation timetable is annexed.

I. THE CONTEXT AND PURPOSE OF THE PRESENT DOCUMENT

The purpose of this White Paper is to set out the European Commission's follow-up to the Green Paper on Commerce¹, which it adopted on 20 November 1996. This followed on from the Commission Communication of 11 March 1991 entitled "Towards a Single Market in Distribution"². The aim of the Green Paper was to provide food for thought and to launch a consultation procedure on the importance of this sector of the economy, on the challenges facing it and on possible ways of remaining competitive, thus maintaining its major contribution to employment and social cohesion.

The Green Paper on Commerce was widely distributed among public administrations and institutions at Community, national and regional level, professional organisations and enterprises. The European Parliament³, the Economic and Social Committee⁴ and the Committee of the Regions⁵ and well over a hundred commercial organisations at European and national level have made substantial contributions to the debate. The responses to the Green Paper were to some extent predictable and reacted to points raised in the Green Paper itself.

The effectiveness of the single market and the need to create a real enterprise environment with a reduction in the administrative burden placed on commerce by the public authorities were much referred to. Interest in the use of the new technologies was considerable. There was interest in policies leading to greater competitiveness, including the potential contributions to it, which are in the hands of those responsible for land-use planning, in both urban and rural areas and to a lesser extent, to the need to improve personal security.

Two items were raised by a large number of respondents, without the Green Paper having mentioned them as major challenges. One was the need to remedy the poor recognition of the sector by the public authorities at all levels, which is said to result in the sector's interests being ignored in debates on a variety of policies, which nevertheless have a major impact on the sector. The other, not so widely cited but raised with particular force by those who did raise it, concerned the application of policies regulating competition which are said by some to put independent SMEs in commerce at a disadvantage as compared to the large retailers. These two groups of reactions merit a response by the Commission.

The commerce sector, like other sectors, is affected by various public policies designed to achieve a range of policy objectives, in terms of economic, environmental, social, cultural, regional development, training, research, consumer protection and other policies. These policies sometimes have the potential to hamper commerce even without any intention to do so. The Commission therefore considers it timely and necessary to insist that the legitimate interests of the sector are properly taken into account in the formulation of policies which affect it and that the benefits of those policies, where relevant, are effectively made available to the sector.

¹ COM (96) 530 final

² COM 1991/0041 final

³ Report N°(A4-0254/97) discussed by the European Parliament's Economic and Monetary Committee and approved on 23 July 1997

⁴ Opinion of the Economic and Social Committee of 28/29 May 1997

⁵ Opinion of the Committee of the Regions of 10 July 1997

which will have an effect on employment in that new skilled jobs will arise in Europe while less skilled jobs are exported.

Distance selling to consumers, including electronic shopping via networks such as the Internet, are growing rapidly. The tools and opportunities offered by this new medium will form the basis of a considerable restructuring of the sector, which will require major investment in equipment and training.

Finally, consumers themselves are also changing rapidly. They have become more demanding and want an integrated set of services at their disposal (including tourism, culture, information technology, personal security and transport as well as commerce itself). This ever more complex pattern of demand raises the question of the synergy needed between these various services at the various places where people live.

III. DEVELOPING A STRATEGY FOR COMMERCE : THE KEY ISSUES

The need for better recognition of the sector is justified by the fact that the commerce sector is the second largest employer in the European Community and that it has been able, over the last decade, to create jobs where other sectors have been shedding labour. This has been made possible by its flexibility in adapting to changes in demand.

Employment in commerce will be subject, in the coming years, to both gains and losses. Gains will come from new forms of retailing with increased emphasis on customer service. Losses will come from greater mechanisation, computerisation and increased size of operations in the fields of logistics and the management of stocks. Also, as globalisation of markets continues to grow, new challenges and opportunities in developing areas such as electronic commerce will have an impact on jobs. The value added of Community action in this area is to seek to improve the competitiveness of commerce enterprises in the European Union and through this to enhance their chances of creating new jobs.

The importance of the contribution of the sector to the well being of the citizen makes it sometimes necessary for the public authorities to take action so that opportunities for improvement do not go by default. This is a matter of maintaining a network of shops which is diversified, competitive and sustainable.

The competitiveness of the sector is not just a matter of achieving lowest market prices and lowest costs. Consumers increasingly seek high quality products and a satisfactory range of services at price levels which are acceptable to them, without being necessarily the lowest. A successful enterprise is therefore one which operates with a blend of all these factors.

At the present time, the big stores offer a large selection of merchandise at attractive prices. Small stores are generally local, in relation to the homes of their customers, and offer personal service. There are strengths and weaknesses in both of these situations. The great challenge for commerce in Europe is to maximise its strengths, offering both quality and attractive prices, while continuing to be a major employer. The structural changes that European commerce is undergoing will require more skilled labour and part-time jobs.

Paradoxically, commerce is a sector with which the citizen is very familiar but which is not fully taken into account by the public authorities, the decision-makers. The reason for this lies in the extremely diversified nature of the enterprises within it, with their different market segments, business cultures and types of location, all of which make public presentation of

their case difficult at Community level despite the intensive work of EuroCommerce, the European umbrella organisation. The other organisations which represent the enterprises in the sector are fragmented, particularly at national level, hampering the effectiveness of the dialogue with the public authorities. The sector is affected by a large number of horizontal, national and European policies but often without its particular characteristics and needs being taken into account in the formulation of these policies.

What contribution can the European Community make to this? On all these matters affecting commerce, it has a role to play in making the sector and its strong points better understood in policy formulation. It can improve consultation between the parties involved, that is to say, between the trade organisations and the national, regional and local authorities. This dialogue can, among other things, give rise to the identification and dissemination of Best Practices which will contribute to improving competitiveness and the provision of sustainable jobs. Disseminating these Best Practices requires incorporation of the needs of the commerce into relevant policies. The European Commission is favourably placed to lead an exercise to spread knowledge of these Best Practices.

Long-term prospects

The aim of this White Paper is not to launch a major initiative nor to introduce radical changes of policy. The commerce and distribution sector needs a strategy essentially based on improving competitive conditions in the market in which competitiveness is the best response to consumer demand. The White Paper therefore sets out specific problems and practices calling for action at Community level in order to ensure the smooth running of the market and thereby guarantee that the sector can best contribute to consumer welfare.

Some of the chapters in the White Paper outline the possible medium- or long-term outlook for the sector. These are not concrete measures but topics warranting broad and thoroughgoing discussion in the future. Certain factors need to be realised in the commerce sector before it is too late. Some priorities for action are discussed below. It should be borne in mind that solutions to these problems may well go beyond the competency of the Community (taking into account the principle of subsidiarity) even though the problems in question often manifest themselves in the same way in all the Member States and the solutions often require cross-border co-operation.

This Paper proposes a number of actions designed to create a coherent strategy for promoting the sector in the coming years; these actions fall into four priority groups:

- **Improving the use of policy instruments to assist commerce;**
- **Improving the administrative, legislative and financial environment;**
- **Strengthening competitiveness and promoting entrepreneurship;**
- **Encouraging europeanization and internationalisation.**

IV. MAJOR PRIORITIES FOR ACTION

A. Improving the use of policy instruments to assist commerce;

Market trends need to be identified, and a clearer picture obtained, of the web of commercial activities making up this sector in the European Union. There will first be a thorough

stocktaking, which will form the basis for further observation of development and should ideally make it possible to anticipate future developments.

1. Better understanding of the sector

Commerce is a very important part of the European economy. Its importance needs to be properly taken into account in the formation of policies dealing with many other areas of activity. Policy initiatives must be based on a full and proper understanding of the factors involved.

The sector has a major impact on the quality of life of citizens, through the convenience of access for consumers to goods and services. The sector dominates the potential use of electronic commerce. The sector has a number of characteristics, which often differ from those of manufacturing. The sector does not generally share the preoccupations of manufacturing, with heavy investment in machinery, with scientific research, and with long-term marketing campaigns. It is different also from other service industries, such as financial or health services, tourism or entertainment. While some of the retail enterprises are only concerned with selling services, for most of them the problems of purchasing methods, management of stocks and of working capital are the key issues for their survival, development and profitability.

Large and small enterprises in the sector handle the same merchandise, deal with the same suppliers and are subject to the same laws on consumer protection, on environment, on transport and so on. The superstore, the corner shop and the mail order agent share many of the same concerns.

Commerce is a diversified sector. It contains not only retailers but also wholesale companies, franchisers, commercial agents, street markets, mobile shops, vending operators, and even hotels and restaurants. These enterprises may be single businesses or chains; they may be self-employed businesses, co-operatives or may belong to groups of independent traders buying or selling jointly. While it is the legislators who enable all the various types of business to operate in a favourable environment, it is the consumers, with all their varied tastes and preferences, who have the last word.

It is therefore a complex and varied sector which is in a constant state of flux and which warrants further investigation.

Actions

- There will be a major information campaign visiting some forty locations in the Union to publicise this White Paper and the work of the Commission which affects commerce and to generate feed-back from interested parties.
- Further improvements to the European statistical system on commerce will be continued. An annual report will be published and a conference held to disseminate information about changes and trends in the structure of commerce.

2. Changes in the structure of commerce: new challenges for policy

One of the Community's principal successes is the substantial achievement of a single European market. Many goods and services can now benefit from the principles of free movement and are bought and sold across frontiers without legal or administrative impediment. The Commission will continue to be vigilant to ensure that the objectives of the Single Market are fully applied.

Within this context, one area requiring a thorough study is that of multilevel marketing. Multilevel marketing is one form of direct marketing whereby sales agents call directly at the residences of potential customers. These agents work directly for the principals involved, or through intermediaries, sometimes in the form of a chain.

The Commission needs to examine whether these practices are adequately distinguished from pyramid selling, an activity which is not allowed in many countries. It must also be established to what extent differences in national legislation on this question may constitute barriers to trade or distort competition within the European Union. This will be examined by the Group of Experts from the Member States set up by the Commission in the framework of the policy on commercial communications⁶.

Another form of selling to which attention has been drawn is that of commercial agents. A Council Directive of 1986 (86/653/EEC) brought about a measure of harmonisation of their activities. The Commission will continue to examine the question of harmonising certain practices in this area and the possibility of drawing up a standard contract for such activities.

The Commission will also examine the changing situation in wholesaling. Wholesalers are affected by the growth of very large retail chains with integrated wholesale and retail functions. Market forces must not be prevented from bringing about consequential changes in the structure of the wholesale sector. There is however a case for monitoring the effect of these changes on two types of SMEs which will be particularly affected - small retailers and small producers of consumer merchandise. While decline of wholesale enterprises is one possible outcome of changing market conditions, transformation into cash-and-carry stores, voluntary chains or commercial agencies is also possible. Wholesalers also have to compete with supplies via the Internet or other modes of distribution. However, the sophistication of its logistics continues to be one of the strengths of existing wholesaling.

Actions

- The Commission will carry out and publish studies on future developments in the fields of multilevel selling, commercial agents and wholesaling. This will include consideration of benchmarking. Meetings will be organised with the professional organisations in the branches concerned before initiating these studies and then again later to discuss the final reports in order to identify areas for Community actions.

B. Improvement of the administrative, legislative and financial environment

1. Simplification of administrative procedures

European enterprises face an increasingly complex legal, fiscal and administrative environment in which they have to operate in order to be competitive, to grow and provide job opportunities. In addition to the compliance costs of regulations, the total annual cost of administrative burdens on all enterprises in Europe has been roughly estimated to be of the order of ECU 150 to 250 billion, or 3% of Community GDP.⁷

On a general level, the SLIM initiative (Simpler Legislation for the Internal Market)⁸ has made it possible to identify the problems resulting from the existing rules and to make recommendations for remedying them. At the end of the second phase of SLIM, specific

⁶ COM (1998) 121 final

⁷ Source: Report of the Business Environment Simplification Task Force (BEST), May 1998

⁸ COM 97/618 final of 24 November 97

proposals were made with a view to simplifying the rules of the single market, particularly regarding VAT and the Combined Nomenclature.

Administrative burdens have a much higher impact on SMEs than on large companies. This applies particularly to very small retail outlets. Most legislative and administrative burdens imposed on enterprises stem from Member State and not European Union regulations. The Commission has been involved in concerted actions exchanging information about best practice, both with Member States, representatives of business organisations and with individual entrepreneurs. This work has been carried out with the assistance of a Group of Experts on Improving and Simplifying the Business Environment made up of representatives from the Member States and from the European SME Business organisations. The first part of this work resulted in the Commission Recommendation of April 1997 addressed to Member States on Business Start-ups⁹. It should be stressed that commerce provides a good field for entrepreneurial activities for those willing to take risks, despite the strong competition in this sector. Business start-ups are primarily to be found in the area of sales of new products and services and advice-oriented services.

The Amsterdam European Council invited the Commission to set up the Business Environment Simplification Task Force (BEST). BEST was given the mandate to simplify existing and new legal and administrative regulations and reduce their burden on European businesses, particularly SMEs. It was also to review major policy areas of concern for SMEs development in the EU. The Commission's response to the BEST Report was given in its Communication "Promoting Entrepreneurship and competitiveness" of 30 September 1998, including an action plan which was submitted for approval to the Council¹⁰. It contains measures to be taken by the Commission and the Member States to enhance competitiveness and the enterprise culture, which plays a key role in commerce. Several aspects of this policy framework such as training and access to finance are examined elsewhere in this White Paper.

Actions

- The Commission will organise meetings of CCD and national government experts in order to draw up and publish actions for commerce which would be taken in the light of the BEST report.

2. Access to finance

Just like other businesses, commercial enterprises need access to finance for investments in sales infrastructure and especially in the new technologies. Regarding sources of finance, these enterprises especially need easy access to overdrafts and short-term loans at acceptable interest rates. In fact, SMEs have to pay on the average between 1.5% and 5% higher interest rates than big enterprises because of the higher risk (cf. Commission Communication on the financial problems experienced by small and medium-sized companies¹¹). This reduces the competitiveness of SMEs.

Access to finance may be limited because small commercial enterprises often do not have real estate or machinery to offer as security but only goodwill which is normally not taken into account by the banks. In addition, the equity of smaller commercial businesses is very low and amounts to approximately 20% of the total available capital.

⁹ OJ L 145 of 5 June 97 pages 29-51

¹⁰ Commission Communication to the Council "Promoting Entrepreneurship and Competitiveness" The Commission's Response to the BEST Task Force Report and its Recommendations, COM (1998) 550.

¹¹ COM (1993) 528

Thus access to these financial sources depends upon good relations with the banks. In particular, commercial SMEs suffer from difficult access to risk capital, venture capital etc.

Venture capital is greatly underdeveloped in Europe. In particular, certain fast growing markets such as franchising still need better access to venture capital in order to finance rapid growth¹². However, several information and telecommunication retailers recently successfully went public using the new electronic stock exchanges such as Easdaq and EURO-NM. They were able to raise substantial new financial resources in order for their growth and internationalization strategy.

The Commission, together with a high-level expert group from financial institutions of the 2nd Round Table of Banks and SMEs, came to the conclusion that better co-operation between banks and SMEs and training of staff in banks would substantially benefit SMEs.

A new initiative was proposed by the Commission in order to support the creation of joint ventures in the EU: JEV - Joint European Venture (Council Decision 98/347/EC of 19 May 1998¹³), part of the "growth and employment initiative" launched in November 1997. An amount of ECU 80 - 100 million is available for the period from 1998 to 2000 to support the creation of transnational joint ventures including the commerce sector.

In several countries, special institutions offer leasing, which may be particularly interesting for commercial enterprises. Leasing can make a major contribution to the well being of small and medium-sized commercial enterprises, through helping them to have the use of modern buildings and equipment.

Actions

- Facilitation of access to finance for the establishment of new companies through the third Round Table of Banks and SMEs and by implementing the "growth and employment" initiative for commerce.
- Identification of possibilities for businesses to gain access to financing and encouraging mutual guarantee systems for commerce.
- Implementation of a second seed capital initiative, for innovative enterprises and transfer of commercial businesses.¹⁴
- Identification of good practices in the Member States as regards financing, establishment and transfer, by means of concerted actions, conferences and studies.
- Organisation of a conference to create awareness in the banking sector of the special situation of commercial enterprises and to obtain better access to finance for them.

3. Improving the dialogue between commercial enterprises and their partners (employees, consumers, credit institutions)

Commerce has a number of partners with whom dialogue must be stepped up or renewed, with a view to avoiding conflicts, highlighting problems common to both parties and implementing equitable solutions.

a) Social Dialogue

Commerce must be able to play its part in the Social-dialogue in Europe. For 15 years now, there has been productive dialogue at sectoral level between the bodies representing

¹² Commission Communication "Risk Capital: A Key to Job Creation in the E U", SEC (1988) 552

¹³ OJ L 1998/155 p. 43

¹⁴ OJ C 363 of 9.11.98

management and employees in the commerce sector - EuroCommerce for the employers and Euro-Fiet for the employees. This dialogue, which has been supported by the Commission, has led to several joint initiatives. Nevertheless, the tertiary sector, which includes commerce, complains that it is under-represented, particularly at inter-branch level.

Quite apart from the old, familiar problems which would justify a smaller number of representatives (in the interests of efficiency and representativeness) and which continue to fall outside the Commission's remit, participation by representatives who could bring the peculiarities of commerce to bear could still be improved. EuroCommerce and Euro-Fiet are already involved in the four main areas of the dialogue, i.e. information, consultation, concertation and joint action.

In its recent Communication on "adapting and promoting social dialogue at Community level"¹⁵, the Commission described the means it intends to use and the measures that need to be taken to strengthen dialogue between management and employees at European level.

The Commission proposes a reform of the Standing Committee on Employment to improve the contribution of employees and management to the development and implementation of the guidelines for employment and the general thrust of economic policy. According to the Commission's proposal, EuroCommerce should be represented on the Standing Committee on Employment. Euro-Fiet will also be represented through its membership of the ETUC. The sectoral level dialogue is very important for joint action and negotiation. The Commission is establishing a new framework for sectoral dialogue, in the form of sectoral dialogue committees, which will apply to all the interested sectors including commerce.

Actions

- Improvement of the representation of the commerce sector in the existing and new structures such as the employment committee.
- Creation of a co-operation mechanism between entrepreneurs of the commerce sector (CCD) and the social dialogue committees.

b) Consumers

An acceptable balance must be struck between consumers' and traders' points of views. Consumers must support the development of the commerce sector, since the choice of merchandise, prices, and the quality of services and merchandise depends on the profitability of the business.

The implementation of the internal market programme and the development of the information society have made Europe's consumers more sensitive and more demanding.

They want access to a market that is more than just local or national - in other words, a Community market in the true sense, of which they and their families can take advantage on their travels. This development will be enhanced by the introduction of the Euro. It is important therefore to promote dialogue between the commerce sector and consumers.

Consumers are becoming more educated, have wider horizons in terms of what they want to buy and how they wish to make their purchases. They also have new expectations in terms of respect for the environment and ethical standards and new life-styles, such as home working. Through electronic trading methods, including the Internet, consumers are coming to have a vastly increased choice of products and suppliers.

Moreover, consumers' wishes as regards the type of service they are offered are constantly changing. Different ways of selling (fixed location or mobile trading, direct sale and mail order, distance selling and electronic shopping) combine with different types of sales outlets

¹⁵ COM(98) 322 of 20 May 1998

(small and large shops, specialist or general dealers, groups of shops such as shopping centres or arcades in city centres, wholesalers or factory outlets) to offer the consumer a very wide choice. Fiercer competition is also constantly increasing the importance of ancillary services (after-sales service, customer care etc.).

As regards the changeover to the Euro, this dialogue has been embodied in an agreement, signed on 30 June 1998, between the representatives of the consumers and those of the main professional organisations in the distribution, tourism, craft and SME sectors on a voluntary code of conduct for the transitional period.

Action

- Organise an annual joint meeting of CCD and the Consumers Committee to debate current issues and seek joint solutions. A report of these meetings will be published.

c) Credit Institutions

Commerce is very much affected by all the various means of payment, in view of the scale of the financial flows to producers and from consumers. It will make increasing use of electronic means of payment, particularly payment cards, provided the price of these services permits this.

The payment-cards system involves four operators: the cardholder (consumer), the issuing body (financial institution), the acceptor (trader) and the acquirer (financial institution). This system works as follows: the cardholder pays a contribution to the issuing body (financial institution) for the card and the right to use it. At the same time, traders support membership of the system and in turn pay a contribution to their bank (the acquirer) every time they accept a payment by card. This is known as the "merchant fee".

Traders think that the charges made for the use of the system afford no scope for competitive negotiation of membership. With the introduction of the Euro there will also be the question of charges payable by cardholders in the case of transactions in Euro made abroad using payment cards. In a recommendation of April 1998¹⁶, the Commission calls on banks and other operators to clearly identify the transaction charges as from 1 January 1999, after which date the fixed conversion rates will be strictly applied.

Greater visibility of the transaction charges and rates applied by payment-card operators could lead to better competition between the acquirers of card transactions and a better investigation and understanding of the cost structures involved. Under the 1998 recommendation, financial operators must clearly show the fixed conversion rates and any charges other than on conversions.

The Commission recommendation of 30 July 1997¹⁷ aims to ensure a minimum level of transparency of the conditions of use, to explain the rights and obligations of the parties concerned and to establish mechanisms for the settlement of disputes. There is also the recent proposal for a directive on electronic money, which concerns monitoring of electronic money institutions, and the fifth Communication on the prevention of fraud of 1 July 1998.

The main aim of the European Union must be to maintain competition through transparency in the sharing of transaction costs between the parties. Otherwise, traders - particularly SMEs - will be obliged to increase their prices uniformly, regardless of the means of payment used, in

¹⁶ No 98/286/EC, Commission Recommendation of 23 April 1998 concerning banking charges for conversion to the Euro; OJ L130 of 1 May 1998 p.22

¹⁷ N° 97/489/EEC, Commission Recommendation 97/489/EC of 30 July 1997 concerning transactions by electronic payment instruments and in particular the relationship between issuer and holder

order to cover these extra charges. On the other hand, consumers are not aware of the costs of the services they receive. The debate on the sharing of transaction costs is still open.

Actions

- The Commission will prepare a report by carrying out a thorough examination of the problems of means of payment, in particular the application of recommendation n° 87/598/CEE with a view to obtaining full transparency, in competitive conditions, regarding the allocation of charges for use of such cards between financial institutions, consumers and traders.
- Evaluation of the impact of the introduction of the Euro on the use of the methods of payment, the operation of the payment systems, and regulatory solutions such as the necessary follow-up to Recommendations Nos 97/489 and 98/286.

C. Strengthening competitiveness and promoting entrepreneurship

1. Electronic commerce

In this White Paper, electronic commerce is viewed as a new factor in strengthening competitiveness which, if properly developed, may benefit all commercial enterprises. Electronic commerce is also a major opportunity to foster new activities, in particular new intermediaries, on-line business and logistic services.

Electronic commerce covers any form of business, administrative transaction or information exchange carried out using any information and communication technology. From the point of view of businesses, it encompasses simple shopping systems and complex solutions that integrate the whole commerce cycle. From an organisational perspective, electronic commerce enables the seamless operation of existing flows between businesses and consumers, businesses and businesses and between businesses and the public sector. Moreover, electronic commerce encourages the emergence of new, innovative ways of co-operation among enterprises that will help them to successfully face the challenges of globalisation.

The wider prospects of electronic commerce were analysed in the Commission's recent Communication "A European Initiative on Electronic Commerce"¹⁸ and are further referred to in the draft directive on "certain legal aspects on electronic commerce"¹⁹.

Electronic commerce can make companies more competitive. It enhances the contacts between producers/suppliers and consumers. It enables enterprises to federate in order to pool their purchasing power, reach new and distant markets at low costs, obtain access to market information, improve their logistics and develop co-operative R&D facilities.

Nevertheless, SMEs lack awareness and skills and suffer from insufficient consumer acceptance of and trust in electronic commerce. In addition, small companies need a clear and simple regulatory environment as well as telecommunications tariff schemes adapted to the specific features of electronic commerce. Electronic commerce will have a full impact on the competitiveness of enterprises only when the Internet becomes effectively accessible and affordable by everybody to the same extent as other utilities are. Lack of awareness and training, high telecommunications costs and uncertainty about legal implications are the main inhibitors for quick take-off of mass-market electronic commerce, as they prevent the incorporation of a critical mass of business users to the electronic market.

¹⁸ COM (1997) 157 final

¹⁹ COM (1998) 586/2 of 3 November 1998

SMEs must be supported in developing co-operative structures based on best practices. Public support is necessary for networks and associations representing end-users and enterprises to help them to reach the critical mass necessary to convey their views as regards tariff schemes for access to electronic commerce. Public action is essential to help end users and small companies to have bargaining power and political weight. It is also important to encourage training and the improvement of knowledge dissemination and learning methods - both for citizens and for businesses, especially SMEs.

Business services, such as commercial e-mail, advertising, certification, quality label and payment schemes are essential for the success of small and medium companies in their Web ventures. For enterprises to take advantage of these services they must be reliable, fully interoperable and affordable. Moreover, because of economies of scale and external factors, these services can only be offered efficiently on a large scale. Therefore, the Commission should identify best practices and promote the delivery of these services on a mass-market basis in Europe.

Actions

- Creation of a web site inventorying awareness, training and operational tools for enterprises to take advantage of electronic commerce.
- Preparation and publication of a study identifying best business sites on the Internet.
- A pilot project to enable the commercial viability of the supply of basic electronic commerce services to a large number of small companies.
- A pilot project to promote the use of quality labels and systems to certify compliance with a code of conduct.
- Creation of a task force within the CCD to study and provide feedback to the Commission in a number of matters: the barriers which enterprises meet in developing electronic commerce practices, the impact of the different regulatory issues related to the development of electronic commerce among SMEs and the possible measures that could be envisaged by the Commission in this field.

2. Co-operation between businesses

Many contributions to the Green Paper debate stressed the importance of co-operation between commercial SMEs, which will have little chance of becoming or remaining competitive unless they pool some or all of their functions. Businesses have to reach a critical mass before they can buy and sell on best terms.

Traders' co-operatives, buying associations, voluntary chains and franchise networks alike enable information from the consumer to get back to the producer more quickly, particularly thanks to the use of the new technologies, which help sales outlets to build up and replenish their stocks in real time. They also provide a channel for information from the sales outlet to the producer, enabling production to be geared to consumer demand (Efficient Consumer Response). Organised commerce provides the flexibility and service which is characteristic of small shops together with the logistics of big organisations and may enable small operators to modernise by increasing their sales area and by training managers.

The Commission has already identified and taken account of the specific problem of agreements between small businesses, particularly in its Communication concerning agreements, decisions and concerted practices in the field of the association of independent retailers²⁰ and especially in its Communication on agreements of minor importance²¹.

²⁰ OJ N°C75, 29 July 1968, p.3

²¹ OJ N° C372, 9 December 1997

In the application of the competition rules, the Commission takes into account developments which are occurring in the distribution sector. Thus, in particular, the Commission welcomes co-operation between small and medium size enterprises when this co-operation allows them to increase their efficiency and to expand their productivity and competitiveness in the very largest markets and to guarantee competition on fair terms with other economic entities such as integrated commerce sector.

There is a long-term risk of extreme concentration of distribution in Europe, resulting in a mere handful of big chains dominating the entire retail market. This would be the end of small and medium-scale trading and the number of sales points would consequently be reduced. In the distribution sector, concentration of this kind could ultimately lead to a reduction in the range of products on offer, the variety of selling systems and the number of shops - particularly in city centres and rural areas and it would alter the relationship between small producers and retailers.

The Commission's Green Paper on vertical restraints²² and the Communication that followed it²³ have demonstrated the need for a more market oriented approach to the matter.

Without denying the justification of the legislation on restrictive agreements, further thought should be given to ways of enabling small, legal units to conduct joint commercial operations. The draft regulation on exemption from the provisions on vertical restraints on which the Commission is currently working represents considerable progress in this area.

Actions

- The Commission will prepare a proposal for an exemption regulation especially taking account of the particular circumstances of associations of independent retailers, on the basis of the mandate which the Council will give to it.
- The Commission will hold all the consultations formally required for the preparation of the block exemption regulation and will hold in addition all the consultations considered useful, and in particular, will request the opinion of the national government experts in the field of commerce.

3. Training

Training improves the competitiveness of commercial businesses by providing stability and opportunities for growth. Big companies have shown that they are fully aware of this and take appropriate measures. The situation is quite different in the case of SMEs. even though their need for training is obvious.

The business environment is becoming increasingly complex, making it particularly difficult for SME managers to cope with the situation: the speed and extent of changes in the business world will be greater and less predictable than they have ever been in the past.

Many small business entrepreneurs realise their shortcomings compared with their leading competitors in important areas such as business strategy, sales policy and leadership. These shortcomings explain why many businesses fail, but the majority of these business managers

²² COM (96) 721 final, adopted by the Commission on 22 January 97.

²³ Communication from the Commission on the application of the Community competition rules to vertical restraints - Follow-up to the Green Paper on vertical restraints (COM/98/0544 final)

are not convinced of the need to spend time and money on training. The development of entrepreneurship is a key matter for the future of commerce and training, the major factor in promoting the entrepreneurial spirit in Europe.

Developments in technology and management necessitate the acquisition of basic skills in accounting, finance, sales techniques, use of multimedia, human resource management and networking. If SMEs do not have these basic skills, which are already widespread in large companies, there is an increased risk of their being caught unawares and failing behind.

A genuine integrated training policy for enterprises is therefore essential and a Communication on this question is under preparation. This policy, to be directly applicable to commercial SMEs, will require a more sectoral approach, since the development prospects in the commerce sector exhibit specific features which must be taken into account.

Big companies need to make new choices as regards the management of their staff. These choices imply various training strategies. New jobs should emerge from the subcontracting of activities hitherto performed by the manufacturer (e.g. maintaining stocks), service and advice, exploitation of new information and management techniques, communication and marketing. Some of these jobs will require a high level of qualification. New forms of organisation are emerging which permit improved management of the different phases in activities (versatility, use of downtime for training at the place of work).

If SMEs are to develop, they will have to group together to form buying and selling networks on an appropriate scale with the aid of information technology. This will require sustained efforts on the part of the heads of companies to learn about these new techniques.

Actions

- A Communication on training for SMEs will be published shortly, outlining best practices and future actions.
- The Commission will assess the needs in commerce for training and publish a set of guidelines and best practices, including risk management.
- Simulations of pricing in Euro at points of sale in order to ascertain the training requirements for sales staff.
- A pilot project for studying the management of downtime (personalised distance learning, versatility).

4. Commerce in rural and less-favoured urban areas

The local village shop is a place where you can buy almost anything needed by someone living in the countryside. The centre of social life, of contacts, of conversation, of the exchange of news and information! It has been said that a village with no local shop is a village with no heart.

Certain types of trading are intrinsically on a small scale – in highly specialised sectors, for example. Shops of this kind are under no threat from the big chains. Small shops, particularly food shops, in rural and less-favoured areas of big cities on the other hand often find themselves in difficult, or even have to struggle just to survive.

The development of large-scale distribution makes it possible to improve the professionalism of the commerce sector and to keep prices down, but in some cases it is a threat to the very existence of traditional trading, and the less-favoured areas are no exception. If it does not manage to provide good coverage in these rural and urban areas, there is the risk of decline or marginalisation.

From the consumer's point of view, the disadvantages of businesses in less-favoured areas (narrow range of products, high prices) are offset by the fact that the shops are fairly close to where they live. Their management methods and the lack of suitable premises and equipment often limit profitability.

Nevertheless, local shops perform an important function in supplying the population, adding to the quality of life of the area and providing a focus for social contacts, rooting the populations more firmly in the area and providing a basis for the development of other diversifying activities.

The primary aim is to encourage local shops in less-favoured areas to modernise, so as to become more competitive and extend their life expectancy. The second is to target the means for Community action more specifically on activities with great job-creation potential.

The structural funds (ERDF and ESF, particularly under the URBAN initiative) can help in achieving these aims as part of the policy for reducing regional and social disparities.

Actions

In the field of local development, the Commission intends to identify best practices, both so that they can be disseminated and replicated by others at community level and so that they can be used where appropriate in the application of the structural funds. The following activities are planned:

- Identification of the problems encountered in the field by conducting a survey;
- By setting up specialised working groups, identification of good practices to assist the businesses concerned to modernise;
- Dissemination of these good practices among national and regional decision-makers by conferences and a mobile exhibition;
- Recommendation on improving access of SMEs to other Community Programmes and in particular Structural Funds.
- Publication of good practices in commerce to assist in the application of the structural funds.

5. Commerce and tourism

Shopping and tourism (including day trips for leisure purposes) have common ground. In tourist areas, shops and tourism feed off each other. Successful tourism provides potential customers for retailers, which in turn creates new jobs in the shops. Well-organised and interesting shopping facilities attract tourists and add to their satisfaction thereby encouraging return visits. Locally made products, especially craft products and food specialities, are attractive purchases for tourists.

Additionally, commerce and tourism are potentially two of the biggest users of electronic commerce both between enterprises and in the interface between enterprises and their customers. There is therefore scope for co-operation between tourism and commerce enterprises in standardising electronic means of payment, providing packages of services for tourists and in providing information. A successful tourism strategy defines a market sector and seeks to satisfy its particular demands. On the one hand, satisfaction of these demands may include the availability of certain types of shops to meet the consumer demand of tourists who come to certain locations because of their museums, beaches or festivals. On the other hand, in certain other locations, shopping is as much of a tourist attraction as museums, rural tourism, beaches or festivals and is often complementary to them.

The enterprises and public authorities concerned with the promotion of tourism cannot oblige shops to trade in particular areas or enforce methods of operation upon them but they can

legitimately seek the co-operation of the shops and tourism enterprises. The availability of certain kinds of shops can be a feature of tourism plans.

Some characteristic examples demonstrate the importance of the link between Tourism and Shopping activities

- *A small Dutch town is located very close to the border of another Member State. People flock across the border to shop on Sundays. The town is well organised for this. All food and other shops and restaurants are open, parking meters accept two national currencies, information is displayed in several languages.*
- *A Belgian village has a dozen specialist bookshops. People are attracted to the bookshops and to have lunch or drinks in the restaurants.*
- *Visiting foreign football supporters went shopping in a British City before the match started. The local shops, unused to tourism, were surprised at how much they spent. The visitors might have spent more money if the shops had made better preparation.*
- *An Irish City attracts many foreign tourists travelling by air on weekend visits to shop, enjoy the city's bars, restaurants and hotels.*
- *A Belgian town is outside the gates of a chateau, which attracts many visitors. The local shops and restaurants serve the tourists and supply locally produced speciality foods.*

Action

- The Commission will organise a competition with a prize, in co-operation with all interested parties, of the interaction of tourism with the distributive trades. It will also hold a conference to present the report of the study on Commerce and Tourism, which will be published widely in the Member States.

6. Commerce and environment

As regards the environment, the European framework directives on environment can contribute towards the harmonisation of commercial conditions and the standardisation and improvement of products, in the consumer's interest. As regards waste management, the Commission's policy is aimed at reducing both the volume of waste and the potential risks. Use of natural resources, including energy, must be optimised and a contribution must be made to promoting the sale of products with a minimum impact on the environment, for example by means of the Eco-label.

Commerce must take its fair share of responsibility for managing the flows of certain types of waste. This responsibility must however be determined on an *ad hoc* basis for each waste flow, in the light of its specific features, while taking account of the characteristics of commerce. In addition to legislation, voluntary approaches (particularly the establishment of common structures) could be considered insofar as certain distribution channels are able, and indeed wish, to recover certain waste from sales points. It should be borne in mind that the Commission takes account of environmental aspects when deciding whether a restrictive agreement may be exempted from the application of Article 85 (1) of the Treaty. Waste collection, recycling and disposal must be carried out jointly and in a co-ordinated fashion by producers, specialised collection companies, local authorities and commerce.

As regards the environment, the production chain has been analysed with a view to finding ways of improving the environmental implications of manufacturing. The production chain needs to be examined as a whole, not as a series of separate stages. Studies aimed at developing environmental management systems which can be adapted for use by SMEs should be encouraged, particularly under EMAS (Community eco-management and audit scheme) and in accordance with ISO 14001.

Apart from the regulatory aspect of environmental questions, large distribution companies have for some years been studying the possibility of reconciling ecological and social considerations with competitiveness. Other studies have compared the costs and benefits of certain modes of transport. Systems have been developed enabling competent staff to identify immediately both the direct transport costs and the impact on the environment.

Although only large companies at present have the means to study the possibility of reconciling ecological considerations with competitiveness, the results could be transferred to the commercial SME sector through various channels.

Action

- Creation of a working group in the CCD to identify areas of environmental policy which are likely to be affected by changes in circumstances and new objectives with a view to enabling the commerce sector to collaborate with the community authorities from the earliest stage on any new voluntary agreements and legislation proposals.

D. Encouraging Europeanization and internationalisation.

I. The Euro

The Euro will have many advantages for both businesses and the economy as a whole. At the same time it will be a source of major challenges for the commerce sector. Right from January 1999 traders will in practice have to get used to accepting cheques made out in Euro and bank cards for accounts in Euro, even if they are not legally obliged to. As from 1 January 2002, traders should be fully prepared to lay in adequate stocks of Euro coins and notes to start the year²⁴.

The Commission has already conducted a number of studies on the dual display of prices but has not adopted any provisions making this compulsory and systematic²⁵.

There needs to be a large-scale information campaign on national level for all parts of the commerce sector on the question of rounding and conversions etc. aimed at traders and the general public.

The Commission must therefore monitor commerce for the first three years of the changeover to the practical use of the Euro, guaranteeing, in line with the need for flexibility in commerce, a maximum of transparency and simplicity for consumers. The main problems for the commerce sector are the cost of providing information (dual display of prices), the necessary investment in computerised tools, staff training and the constraints of the phase during which both kinds of coins and notes will be in circulation.

The representatives of the commerce, tourism and craft sector together with those of the consumers have, with the support of the Commission, concluded an agreement, which is set out in a code of conduct²⁶. The aim is to ensure an understanding of the Euro mechanism on terms that are favourable to both parties. In signing the agreement, businesses have accepted certain obligations, such as the obligation to provide a certain minimum of information, staff training or dual price indication. A simple European label will be made available to those who undertake to respect these rules. This label should be managed by impartial bodies at national or local level, in close contact with consumers.

²⁴ Council Regulation No 974/98

²⁵ Commission Recommendation on dialogue, monitoring and information to facilitate the transition to the Euro, Commission Recommendation concerning dual display of prices and other monetary amounts.

²⁶ Signed on 30 June 98

The changeover to the Euro will take place at a time when more and more new methods of payment are being introduced. We are at the dawn of a society without coins or banknotes. The other methods can only be successful in they can interwork in all the Member States.

Actions

- Meeting of national governmental experts and the CCD to explore the progress of preparations by public authorities with regard to the introduction of the Euro in commerce.
- Joint meetings within the framework of the CCD, in order to clarify important practical issues such as frontloading, insurance etc. and to encourage preparatory activities for operators in the sector on the practical aspects of the introduction of the Euro.
- Support the promotion of sales in Euro at points of sale.
- Publication of a Recommendation to foster the implementation of the code of conduct and the label mentioned above if this proves necessary
- Following the Euro familiarisation campaign to be mounted by certain Euro Info Centres in 1999, a similar campaign focused on commerce and in particular on the use of Euro coins and bank notes, will be mounted nearer the date of the introduction of the Euro

2. International trade

European Commerce plays a crucial and active role in international trade. The Community policy aims to ensure that European producers face fair competition when they export their products to other continents. Over and above direct sales, European distributors wish to establish themselves as traders in foreign markets. Such enterprises make profits, are more likely than foreign-owned distributors to sell merchandise produced in Europe and can be important outlets for European production. A European shop in another continent will, through its understanding of local tastes and marketing initiatives, generate business for European producers, which the latter could not hope to generate for them. In the coming years, European enterprises will step up their strategy of internationalisation in order to access new markets with their successful store format and product ranges.

The new dimensions for trade in a globalising world economy will affect the commercial sector in its operations in overseas markets as well as linkages and forms of co-operation between commerce and industry.

Five aspects must be considered in particular: trade related aspects of Foreign Direct Investment (FDI) concerning market access and new export bases, the internationalisation of production and Outward Processing Trade (OPT), the role of trading-houses, technology issues in the international trading system and, finally, costs of communications.

Barriers to European exports still exist in many countries. The GATS (General Agreement on Trade in Services) offers a framework to negotiate improvements of the conditions of establishment for foreign companies. The GATS also deals with aspects of domestic regulation, with the aim of banning discrimination and promoting transparency. All these aspects will be dealt with in the forthcoming round of services negotiations, due to start in year 2000.

The benefits of free importing should be taken into account alongside the arguments in favour of restricting imports. The European commerce sector's importing and sourcing activity broadens the supply of goods and services in terms of variety and price. Obstacles to trade, even though they may sometimes be necessary, reduce these benefits.

With regard to import trade the post-clearance collection of duties can pose serious problems for SMEs who have to pay their duties long after the goods have been imported. The

importing traders are also asking to apply a principle of good faith with regard to certificates of origin. The Commission has defined its position in its Communication of 23.7.1997²⁷.

Another issue is the respect of internationally agreed social and environmental standards particularly in less and least developed countries. Codes of conduct are currently established at various levels from private initiatives to ILO, WTO and UNCTAD.

It is also important to take into consideration development needs, especially in the ACP region.

Actions

- Study of the potential and the problems of European commercial enterprises which seek to develop distributive operations in other continents.
- Organisation of the participation of commerce enterprises and sectoral federations in the European Services Network, in order to involve this sector in the preparation of international negotiations in the GATS framework foreseen for the year 2000.

3. Enlargement of the European Union

The Commission is conducting negotiations with ten candidate Central and Eastern European countries (CEEC) and Cyprus, with a view to their accession to the European Union. Commerce in those countries should therefore adapt to the conditions prevailing in the European Union and to this end the Commission should study measures which will permit greater market cohesion.

A number of problems need to be highlighted:

- the need to modernise management and logistical systems;
- the quality of the financial structures;
- lack of acceptance of professional co-operation bodies;
- the weakness of intermediary structures (involving professionals) which would permit the implementation of collective modernisation tools;
- inadequate recognition of commerce by local authorities;
- low rate of utilisation of financial aid for modernising the sector.

Actions

- Action to bring local legislation into line with Community legislation.
- Panel missions to identify local problems and joint study groups of representatives of administrations, enterprises and professional organisations from the EU and the countries concerned.
- Involvement of operators from the CEEC and Cyprus in Community activities to promote commerce, particularly under the Third Multiannual Programme for SMEs.
- Establishment of good practices for more targeted use of the funds made available to the local authorities (Phare, Tacis).
- Identification of local problems and suitable solutions by setting up joint study groups comprising representatives of administrations, businesses and professional organisations from the EU and the countries concerned by means of on-the-spot studies.

²⁷ COM (97) 402 final

- Conferences will be held in each of the candidate countries, in part based on the mobile exhibition which is due to tour the Member States, and in part to debate with officials of the countries concerned the adaptation to their laws and administrative practices which may become necessary.

ANNEX I: ACTION PLAN²⁸

1.	<p><u>General understanding of the sector and relevant information</u></p>	
	<ul style="list-style-type: none"> • There will be a major information campaign visiting some forty locations in the Union to publicise this White Paper and the work of the Commission affecting commerce and to generate feed-back from interested parties. 	1999-2001
	<ul style="list-style-type: none"> • Further improvements to the European statistical system on commerce will be continued. An annual report will be published and a conference held to disseminate information about changes and trends in the structure of commerce. 	1999-2003
2.	<p><u>Changes in the structure of commerce: new challenges for policy</u></p>	
	<ul style="list-style-type: none"> • The Commission will carry out and publish studies on future developments in the fields of multilevel selling, commercial agents and wholesaling. This will include consideration of benchmarking. Meetings will be organised with the professional organisations in the branches concerned before initiating these studies and then again later to discuss the final reports in order to identify areas for Community actions. 	2000-2001
3.	<p><u>Simplification of administrative procedures</u></p>	
	<ul style="list-style-type: none"> • The Commission will organise meetings of CCD and national government experts in order to draw up and publish actions for commerce, which would be taken in the light of the BEST report. 	1999
4.	<p><u>Access to finance</u></p>	
	<ul style="list-style-type: none"> • Facilitation of access to finance for the establishment of new companies through the third Round Table of Banks and SMEs and by implementing the "growth and employment" initiative for commerce. 	1999
	<ul style="list-style-type: none"> • Identification of possibilities for businesses to gain access to financing and encouraging mutual guarantee systems for commerce. 	2000
	<ul style="list-style-type: none"> • Implementation of a second seed capital initiative, for innovative enterprises and transfer of commercial businesses²⁹. 	2000
	<ul style="list-style-type: none"> • Identification of good practices in the Member States as regards financing, establishment and transfer, by means of concerted actions, conferences and studies. 	2000
	<ul style="list-style-type: none"> • Organisation of a conference to create awareness in the banking sector of the special situation of commercial enterprises and to obtain better access to finance for them. 	2001
5.	<p><u>Social Dialogue</u></p>	
	<ul style="list-style-type: none"> • Improvement of the representation of the commerce sector in the existing and new structures such as the employment committee. 	1999-2001
	<ul style="list-style-type: none"> • Creation of a co-operation mechanism between entrepreneurs of the commerce sector (CCD) and the social dialogue committees. 	1999-2001
6.	<p><u>Consumers</u></p>	
	<ul style="list-style-type: none"> • Organise an annual joint meeting of CCD and the Consumers Committee to debate current issues and seek joint solutions. A report of these meetings will be published. 	1999-2003

²⁸ For financial implications See Annex II

²⁹ OJ L C363 of 9.11.98

7.	<p>Credit institutions</p> <ul style="list-style-type: none"> • The Commission will prepare a report by carrying out a thorough examination of the problems of means of payment, in particular, the application of recommendation n° 87/598/CEE, with a view to obtaining full transparency, in competitive conditions, regarding the allocation of charges for use of such cards between financial institutions, consumers and traders. • Evaluation of the impact of the introduction of the Euro on the use of the methods of payment, the operation of the payment systems, and regulatory solutions such as the necessary follow-up to Recommendations Nos 97/489 and 98/286. 	1999-2004 1999-2001
8.	<p>Commerce and the new technologies</p> <ul style="list-style-type: none"> • Creation of a web site inventorying awareness, training and operational tools for enterprises to take advantage of electronic commerce. • Preparation and publication of a study identifying best business sites on the Internet. • A pilot project to enable the commercial viability of the supply of basic electronic commerce services to a large number of small companies. • A pilot project to promote the use of quality labels and systems to certify compliance with a code of conduct. • Creation of a task force within the CCD to study and provide feedback to the Commission in a number of matters: the barriers which enterprises meet in developing electronic commerce practices, the impact of the different regulatory issues related to the development of electronic commerce among SMEs and the possible measures that could be envisaged by the Commission in this field. 	1999-2001 1999-2000 2000-2001 1999-2001 1999-2003
9.	<p>Co-operation between businesses</p> <ul style="list-style-type: none"> • On the authority already given by the Council, the Commission is preparing proposals for an exemption regulation on vertical restraints, which will take into account the particular circumstances of associations of independent retailers. • The Commission will hold meetings with national government experts in the fields of trade and competition policy to ensure that its position on vertical restraints is fully understood. 	1999-2001 1999-2001
10.	<p>Training</p> <ul style="list-style-type: none"> • A Communication on training for SMEs will be published shortly outlining best practice and future actions. • The Commission will assess the needs in commerce for training and publish a set of guidelines and best practices, including risk management. • Simulations of pricing in Euro at points of sale in order to ascertain the training requirements for sales staff. • A pilot project for studying the management of down-time (personalised distance learning, versatility). 	1999 2000 2000-2001 2001
11.	<p>Commerce in rural and less-favoured urban areas</p> <p>In the field of local development, the Commission intends to identify best practices, both so that they can be disseminated and replicated by others at community level and so that they can be used where appropriate in the application of the structural funds. The following activities are planned:</p>	

	<ul style="list-style-type: none"> • Identification of the problems encountered in the field by conducting a survey; • By setting up specialised working groups, identification of good practices to assist the businesses concerned to modernise; • Dissemination of these good practices among national and regional decision-makers by conferences and a mobile exhibition; • Recommendation on improving access of SMEs to other Community Programmes and in particular Structural Funds. • Publication of good practices in commerce to assist in the application of the structural funds. 	1999
		1999-2000
		1999-2000
		1999
		2000
12.	<p>Commerce and tourism</p> <p>The Commission will organise a competition with a prize, in co-operation with all interested parties, of the interaction of tourism with the distributive trades. It will also hold a conference to present the report of the study on Commerce and Tourism, which will be published widely in the Member States.</p>	2000
13.	<p>Commerce and the environment</p> <ul style="list-style-type: none"> • Creation of a working group in the CCD to identify areas of environmental policy which are likely to be affected by changes in circumstances and new objectives, with a view to enabling the commerce sector to collaborate with the community authorities from the earliest stage on any new voluntary agreements and legislation proposals. 	1999-2003
14.	<p>The Euro</p> <ul style="list-style-type: none"> • Meeting of national governmental experts and the CCD to explore the progress of preparations by public authorities with regard to the introduction of the Euro in commerce. • Joint meetings in the framework of the CCD in order to clarify important practical issues such as frontloading, insurance etc. and to encourage preparatory activities for operators in the sector on the practical aspects of the introduction of the Euro. • Support for simulations of sales in Euro at points of sale. • Publication of a Recommendation to foster the implementation of the code of conduct and the label mentioned above if this proves necessary • Following the Euro familiarisation campaign to be mounted by certain Euro Info Centres in 1999, a similar campaign focused on commerce and in particular on the use of Euro coins and bank notes will be mounted nearer the date of the introduction of the Euro 	1999
		1999-2001
		2001
		2000
		2001
15.	<p>International trade</p> <ul style="list-style-type: none"> • Study of the potential and the problems of European commercial enterprises which seek to develop distributive operations in other continents; • Organisation of the participation of commerce enterprises and sectoral federations in the European Services Network, in order to involve this sector in the preparation of international negotiations in the GATS framework foreseen for the year 2000. 	2001
		1999-2001
16.	<p>Enlargement of the European Union</p> <ul style="list-style-type: none"> • Action to bring local legislation into line with Community legislation. • Panel missions to identify local problems and joint study groups of representatives of administrations, enterprises and professional 	1999-2003
		1999-2003

	<ul style="list-style-type: none"> • Identification of the problems encountered in the field by conducting a survey; • By setting up specialised working groups, identification of good practices to assist the businesses concerned to modernise; • Dissemination of these good practices among national and regional decision-makers by conferences and a mobile exhibition; • Recommendation on improving access of SMEs to other Community Programmes and in particular Structural Funds. • Publication of good practices in commerce to assist in the application of the structural funds. 	1999
		1999-2000
		1999-2000
		1999
		2000
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14.	<p>The Euro</p> <ul style="list-style-type: none"> • Meeting of national governmental experts and the CCD to explore the progress of preparations by public authorities with regard to the introduction of the Euro in commerce. • Joint meetings in the framework of the CCD in order to clarify important practical issues such as frontloading, insurance etc. and to encourage preparatory activities for operators in the sector on the practical aspects of the introduction of the Euro. • Support for simulations of sales in Euro at points of sale. • Publication of a Recommendation to foster the implementation of the code of conduct and the label mentioned above if this proves necessary • Following the Euro familiarisation campaign to be mounted by certain Euro Info Centres in 1999, a similar campaign focused on commerce and in particular on the use of Euro coins and bank notes will be mounted nearer the date of the introduction of the Euro 	1999
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		1999-2001
16.	<p>Enlargement of the European Union</p> <ul style="list-style-type: none"> • Action to bring local legislation into line with Community legislation. • Panel missions to identify local problems and joint study groups of representatives of administrations, enterprises and professional 	1999-2003
		1999-2003