

CALL FOR EVIDENCE FOR AN IMPACT ASSESSMENT

TITLE OF THE INITIATIVE	Single Market - Tackling unjustified territorial supply constraints
LEAD DG (RESPONSIBLE UNIT)	GROW F3
LIKELY TYPE OF INITIATIVE	Non-legislative or legislative
INDICATIVE TIMETABLE	Q4 2026
ADDITIONAL INFORMATION	-

A. Political context, problem definition and subsidiarity check

Political context

Territorial supply constraints are barriers imposed by economic operators that make it difficult or even impossible for other operators to buy goods or services in one country in the Single Market and resell them in another. The [Single Market Strategy](#)¹ adopted on 21 May 2025 identified territorial supply constraints in retail and wholesale as one of the 'Terrible Ten', i.e. the 10 most harmful barriers to trade in the Single Market. The Strategy announced that tools would be developed to tackle unjustified territorial supply constraints in situations not covered by competition law.

At the same time, Member States have called for action to safeguard consumer purchasing power and for daily consumer goods to remain affordable and available across the EU. These calls have been made during discussions in the Council of the EU² and during the fact-finding exercise carried out by the Single Market Enforcement Taskforce (SMET)³. The European Parliament, in its recent [own initiative report on the implementation and streamlining of EU internal market rules to strengthen the single market](#),⁴ has also called on the Commission to tackle territorial supply constraints affecting daily consumer goods.

Problem the initiative aims to tackle

This initiative aims to tackle unjustified territorial supply constraints imposed by manufacturers of daily consumer goods.

Territorial supply constraints make it difficult, sometimes even impossible, for retailers and wholesalers to source daily consumer goods from the Member State of their choice. Instead, they are required to source from one or more Member States chosen by the manufacturer. As a result, retailers and wholesalers may not have access to more competitive wholesale prices. This may limit their capacity to offer consumers a broader choice of products and lower prices. [A study on territorial supply constraints in the EU retail sector](#)⁵ found wide differences in wholesale prices for some food and non-food daily consumer goods. The study also found that these differences cannot be fully explained by factors such as different taxation regimes (including VAT) or production costs (including costs of labour, raw materials and logistics). The differences in wholesale prices affect in particular small Member States

¹ Commission Communication [The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and strong](#), 21 May 2025 COM(2025) 500 final.

² - [Information by the delegations of the Netherlands, Belgium, Croatia, Czech Republic, Denmark, Luxembourg and Slovakia on the need to eliminate territorial supply constraints on the Single Market](#), AOB item at the meeting of the Competitiveness Council on 24 May 2024.

- [Bringing an end to unjustified territorial supply constraints - Information from Austria, Belgium, Czechia, Croatia, Greece, Luxembourg, the Netherlands and Slovenia](#), AOB item at the meeting of the Competitiveness Council on 29 September 2025.

³ [Single Market Enforcement Taskforce \(SMET\)](#).

⁴ [Implementation and streamlining of EU internal market rules to strengthen the single market](#), European Parliament 2025.

⁵ [Study on territorial supply constraints in the EU retail sector](#), European Commission 2020.

neighbouring larger Member States with more competitive markets where prices tend to be lower. Studies carried out in several Member States⁶ have come to similar conclusions regarding cross-border price differences for branded products.

However, product and price differentiation may sometimes be justified. For example, they may be justified by the need to comply with national regulatory requirements (e.g. on labelling) or due to a company's short-term commercial strategy (e.g. launching a new product).

Competition law is an effective tool for tackling unjustified territorial supply constraints when they are the result of anticompetitive agreements or anticompetitive unilateral practices by a company with a dominant position in a given market. In the past, the Commission has imposed significant fines on companies, notably on [Mondelez](#) in 2024 for hindering cross-border trade in chocolate, biscuits and coffee products, and on [AB InBev](#) in 2019 for restricting cross-border sales of beer.

However, many similar practices fall outside the scope of competition law, for example unilateral practices carried out by companies that do not have a dominant position within the meaning of competition law. Competition investigations and Commission fact-finding in the context of the SMET have shown that the most frequent practices that could be considered territorial supply constraints are packaging and labelling differentiation, wholesale price differentiation and refusal to supply.

The initiative aims to tackle unjustified territorial supply constraints that are not covered by competition law.

Basis for EU action (legal basis and subsidiarity check)

Legal basis

Article 114 of the Treaty of the Functioning of the European Union (TFEU), as the objective is to improve the functioning of the Single Market.

Practical need for EU action

The territorial supply constraints that this initiative seeks to address are inherently cross-border in nature. National authorities can only act against such practices when they are implemented in their territory or involve companies established in their territory. This is why, when such practices fall under competition law, they are often investigated and the companies involved may be fined by the Commission in coordination with national competition authorities, which may not be able to take action at national level. Action at Member State level can therefore complement action by the Commission, but it is insufficient to tackle the cross-border nature of the problem.

B. Objectives and policy options

The objective of the initiative is to tackle unjustified territorial supply constraints outside the scope of competition law that lead to market fragmentation, in order to allow retailers and wholesalers to source products from other Member States without having to face unjustified barriers. This should enable consumers to benefit from the Single Market by having access to a broader choice of products at lower prices. Action in pursuit of this objective must respect the fact that manufacturers are free to organise and structure their commercial distribution channels as they see fit, provided they do not hinder the functioning of the Single Market.

In the baseline scenario, no action is taken at EU level. Territorial supply constraints will only be addressed under competition law, i.e. when they are the result of anticompetitive agreements or anticompetitive unilateral practices by dominant operators.

Other scenarios for action at EU level could take the form of non-legislative or legislative measures.

⁶ For example:

Austria:

- [Branded food products in Austrian and German online supermarkets](#), AK Wien (Vienna's Chamber of Labour), 2025.
- [Sector Inquiry Food](#), Austrian Federal Competition Authority, 2023.

Belgium: [Comparison of consumer price levels in Belgium to Germany, France and the Netherlands](#), Ministry of Economy, 2023.

Luxembourg: [Buying habits of residents of Luxembourg](#), Ministry of Economy and the Luxembourg Confederation, 2024

The Netherlands: [Territorial supply constraints](#), Dutch Ministry of Economic Affairs and Climate, 2023.

The following options could be considered:

Option 1: Self-regulatory action (e.g. a code of conduct)

Stakeholders identify practices that hamper the sourcing of products from across the EU and when these practices may be justified.

Option 2: Guidelines for national authorities and market operators

The European Commission identifies practices that hamper the sourcing of products from across the EU and when these practices may be justified.

Option 3: Legislation based on the concept of economic dependence that would cover territorial supply constraints resulting from unilateral decisions by non-dominant operators (assessment on a case-by-case basis).

Option 4: Legislation identifying prohibited practices and when these practices may be justified.

All options will be accompanied by measures designed to support implementation and enforcement.

C. Likely impacts

Economic impact: removing unjustified territorial supply constraints could increase cross-border trade in daily consumer goods, allowing retailers and wholesalers to source products from the Member State of their choice.

Social impact: consumers are expected to benefit from lower prices and a larger choice of products. This could make daily consumer goods more affordable and safeguard consumer purchasing power.

Environmental impact: the initiative is expected to have a limited environmental impact.

Impact on fundamental rights and equality: not applicable.

Impact on simplification and/or administrative burdens: depending on the choice of measures, the authorities and courts may need to play a greater role in enforcing the chosen option. The initiative should not create significant administrative burdens for market operators.

D. Better regulation instruments

Impact assessment

The Commission will carry out an impact assessment to assess different policy options and their potential economic, environmental and social impact. The impact assessment will analyse whether the initiative is in line with EU strategic goals, such as promoting sustainability, the digital transition and innovation. The European Commission's Joint Research Centre will contribute to the analysis. It will also look at the potential for simplification and burden reduction, including a quantification of administrative costs and/or cost savings.

Consultation strategy

The purpose of the consultation is to collect evidence and views from stakeholders through:

- i) This call for evidence published initially in English. All other EU language versions will be published as soon as they become available. The call for evidence will be open for four weeks from the date of publication of all EU language versions. Replies to this call for evidence can be made in any of the 24 official EU languages.
- ii) A public consultation, which will be published at a later stage, initially in English. All other EU language versions will be published as soon as they become available. The public consultation will be open for 12 weeks from the date of publication of all EU language versions. Replies to the public consultation will be accepted in any of the 24 official EU languages.
- iii) Targeted consultations, such as surveys or interviews with stakeholders.

Evidence collected from stakeholders will complement evidence obtained from other sources, including desk research.

Eight weeks after the public consultation closes, a factual summary will be published on 'Have your say'. A synopsis report of all consultation activities will be published as an annex to the impact assessment.

Why we are consulting

The consultation aims to ensure that all stakeholders are able to contribute their views, evidence and experience with unjustified territorial supply constraints. This input will be included in the evidence base underpinning the impact assessment and allow the Commission to take into consideration a broad array of views and input when defining the problem, designing the potential solutions and assessing their possible impact.

Target audience

All members of the public, public authorities and stakeholders (e.g. businesses, non-governmental organisations, civil society organisations, academia) are welcome to contribute to this consultation. Contributions are particularly sought from:

- individual businesses (including SMEs) and business associations active in the manufacture, wholesale and retail of daily consumer goods;
- consumers and consumer organisations;
- social partners;
- Member State authorities, including competition authorities;
- stakeholders in border and outermost regions; and
- academics and other experts in the field.