

## Review of the General Block Exemption Regulation for state aid promoting the green and digital transition – EuroCommerce views

### Key messages

- EuroCommerce welcomes the proposed amendments to the General Block Exemption Regulation for state aid promoting the green and digital transition;
- the proposed changes to the GBER are key to ensure that European businesses, including retail and wholesale, can effectively contribute to the twin transition;
- The retail and wholesale sectors have already been undergoing major changes as part of the green and digital revolution, but need financial support from their member states and the EU to meet the high costs of the transition, especially as they recover from the COVID-19 crisis;
- We reiterate that vibrant competition in the single market is key to allow business to thrive in the digital and green transition and stress the importance of the Commission's enforcement of its state aid rules against unlawful subsidies distorting competition in Europe.

### 1. Introduction

EuroCommerce welcomes the publication by the European Commission of the [proposed amendments](#) to the General Block Exemption Regulation for state aid ('GBER') to promote the green and digital transition.

We believe that the proposed changes are timely and necessary to ensure that European businesses can contribute effectively to the green and digital transition while simultaneously recovering from the COVID-19 pandemic.

EuroCommerce is the European federation for retail and wholesale. Retailers and wholesalers are key players in the European economy, with over 5 million active businesses providing employment to 26 million Europeans.

### 2. The twin green and digital transition

Retailers have already been investing massively into digitalisation to open online operations and offer consumers new online shopping experiences, combining different purchasing channels into a new consumer-friendly omnichannel environment. Wholesalers are also transforming in the digital age and, for a successful transition, need greater access to data, standardisation of product master data and a push for better acceptance of electronic transferable records in international trade.

Retailers and wholesalers have also long been at the forefront at the fight against climate change and for a more sustainable future, meeting consumer demand for more environmentally friendly

products and adapting the sector to the green transition (e.g. in relation to more sustainable packaging).

However, public support is at times necessary to ensure that retail and wholesale can continue to meet consumer demand for more sustainable and digitalised shopping experiences; transition costs will be particularly high for SMEs, many of which have become vulnerable as a result of COVID-19.

### 3. The revision of the GBER

We welcome the amendments proposed by the Commission to the GBER as they meet the needs of retailers and wholesalers for financial support to assist them in thriving in the twin transition:

- Retailers and wholesalers necessitate aid to develop infrastructure for the collection, sorting, recycling and reuse of material; we hence welcome the new article 47 which includes in the scope of the GBER ‘investments for the separate collection and sorting of waste or other products, materials or substances with a view to the preparing for re-use or recycling.’
- Financial public support is necessary to build more eco-efficient commercial buildings; this includes for instance improving resource efficiency (e.g. building infrastructure which is efficient, relies on renewable energy sources and is optimal in heating, ventilation and air conditioning). We welcome the recognition in article 36b of the GBER that aid might be granted for the improvement of the energy efficiency of the heating or cooling equipment of the building.
- Requalifying or building new eco-efficient buildings is not sufficient: the entire supply chain should be energy-efficient; this necessitates support for retailers and wholesalers (especially SMEs) to improve the energy efficiency of installations and operations in the supply chain, for example through renewable energy installations, LED technology lighting, lighting control systems, energy efficiency refurbishment. We would invite the Commission to include language referring to the need of rendering chain operations energy and eco-efficient, similarly to what the GBER now provides for buildings.
- Retailers and wholesalers need more sustainable mobility systems for logistics and home delivery solutions: this may costly entail fleet renewals and investment in efficient alternative fuels and infrastructure. We welcome the inclusion in article 36a of the GBER of aid for the purchase of leasing clean vehicles or zero-emission vehicles for road at least partially by electricity or by hydrogen and for the retrofitting of vehicles allowing them to qualify as clean vehicles or zero-emission vehicles.
- Retailers and wholesalers need support for their investments in digitalisation; this includes modernisation of information systems (e.g. machine learning, big data, Internet of Things, voice recognition, RFID, Artificial Intelligence). Huge investments are necessary also for automation, robotics, artificial intelligence, blockchain to ensure that retailers can deliver a fully omnichannel service. Smaller retailers need help in the digitalisation of the chain, including electronic labelling, digital payments, transition to cloud solutions and effective digital software. SMEs in particular need support to develop their digital presence. We would invite the Commission to include further amendments to the GBER allowing for support for the digitalisation of commercial facilities as well as operations.

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