



HELLENIC REPUBLIC  
THE PRIME MINISTER

Athens, 18 May 2024

~~Dear President von der Leyen,~~

Dear Ursula,

I am writing in order to bring to your attention the issue of Territorial Supply Constraints and restrictions, as part of our efforts to further deepen the European Single Market in the politically key area of protecting consumers and their income.

As you know, the recent inflation crisis has led to a significant erosion of the purchasing power of European citizens, and has highlighted on the one hand the asymmetric power of some large multinational companies in terms of their differentiated pricing policy vis-à-vis individual Member States, and on the other the untapped collective power of our Union.

In view of the upcoming European elections, a crucial political challenge for the EU is to demonstrate not only its ability to set the right priorities in the light of the problems that are of concern to European societies – and tackling high prices is undoubtedly one of them – but also to intervene decisively, swiftly and effectively in order to find solutions to these problems.

I believe we can take even bolder steps to make the European Single Market work with more competition and transparency for consumers. In doing so the citizens of the Union will, regardless of the country in which they live, be able to enjoy the results of the ambitious common European project, in a Europe guided by collective effort, and the principles of inclusiveness and cohesion, with the common aim of improving the standard of living of its citizens.

***Ms Ursula von der Leyen***  
***President of the European Commission***

The ongoing inflationary crisis across the European continent has also highlighted significant and long-standing problems in the functioning of the markets in essential consumer goods. That has led to significant challenges for consumers, particularly those with lower purchasing power.

One of the most important issues of concern to the Greek market, but also to other Member States – the Netherlands, Belgium, Croatia, the Czech Republic, Denmark, Luxembourg and Slovakia – is the unreasonably high prices at which branded essential consumer goods from multinational companies are sold, compared to other European Union countries.

One of the main reasons for this undesirable situation is the Territorial Supply Constraints (TSCs) imposed by large multinationals on the markets of the Member States of the European Union in order to take advantage of their dominant position in the smaller ones. The result creates significant differences in the selling prices of essential consumer goods that are neither justified by objective factors, or by the average income level of citizens of the Member States.

These differences affect European citizens trust in the Single Market and prevent them from enjoying its day-to-day benefits. I would therefore propose that legislation is adopted at European Union level to effectively address the practice of Territorial Supply Restrictions (TSCs), in those cases where this is not justified by objective factors that promote the well-being of our societies.

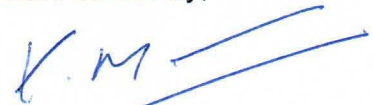
In particular, it is crucial to address the practice of some multinational producers of key fast-moving consumer products to break up the Single Market into geographically isolated smaller ones, by introducing barriers to competition, parallel imports and the ability of retailers to exploit arbitrage opportunities that can effectively normalise price differences between Member States' consumer markets.



In this context, we propose:

- the further strengthening of EU competition law by providing the competent national authorities and the European Commission with new tools and powers to tackle unjustified TSCs;
- the prohibition of unfair commercial practices in supplier-retailer relations, such as those practices that impede parallel trade and cross-border passive sales, based on the distinction between retailers according to their place of establishment and the national market they serve;
- the removal of language restrictions on the labelling of essential consumer goods, where they are not strictly necessary, in order not to impede arbitrage through parallel trade, including investigation of the positive and negative elements of multilingual digital labelling of essential consumer goods;
- the prevention of the policy of some multinational companies to sell identical or similar consumer products under different brands in different Member States, so that they may be able to apply differentiated pricing according to the dominant position or market share achieved in each country.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'K. M.', followed by a long horizontal line that extends to the right and then curves upwards.

Kyriakos Mitsotakis