



Unfair Trading Practices (UTPs) state of play

**Civil Dialogue Group on Animal Products
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Unfair Trading Practices – what are they?

**"Practices that grossly deviate
from good commercial conduct and
are contrary to good faith and fair dealing"**

Examples:

**Abuse of unclear / missing contract terms;
Retroactive deductions applied by one party;
Unpredictable fees applied by one party**

Features of the food supply chain

**Increasing imbalances of bargaining power,
i.e. a few large and many small players on
both sides of the market**

Tense commodity markets

Price pressure from consumers

Under such conditions, increased risk for UTPs

Existing approaches to tackle UTPs

At EU level:

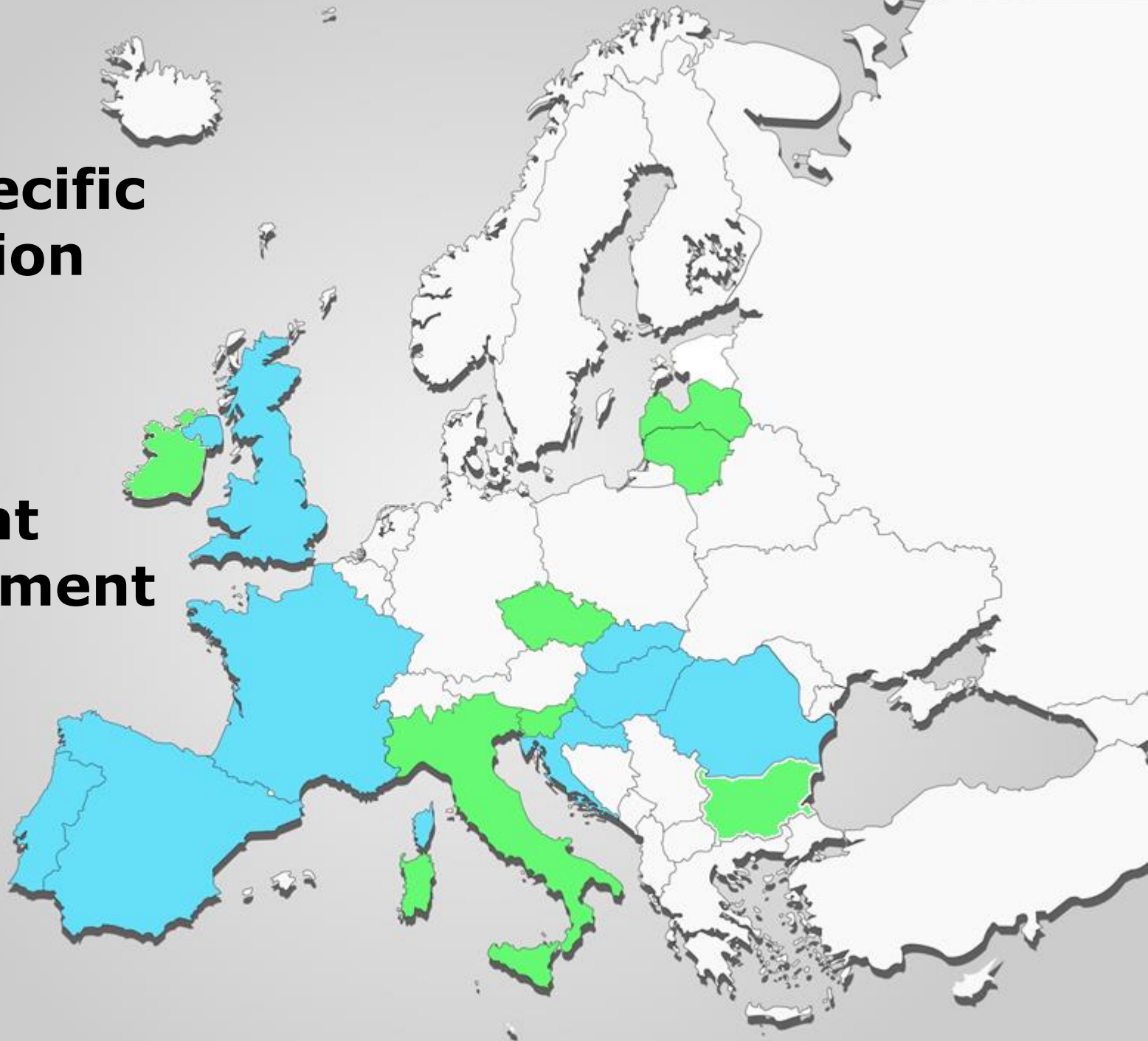
- **Voluntary Supply Chain Initiative**

At Member State level:

- **UTP-specific legislation**
- **Modifications of competition law**
 - **Voluntary schemes**

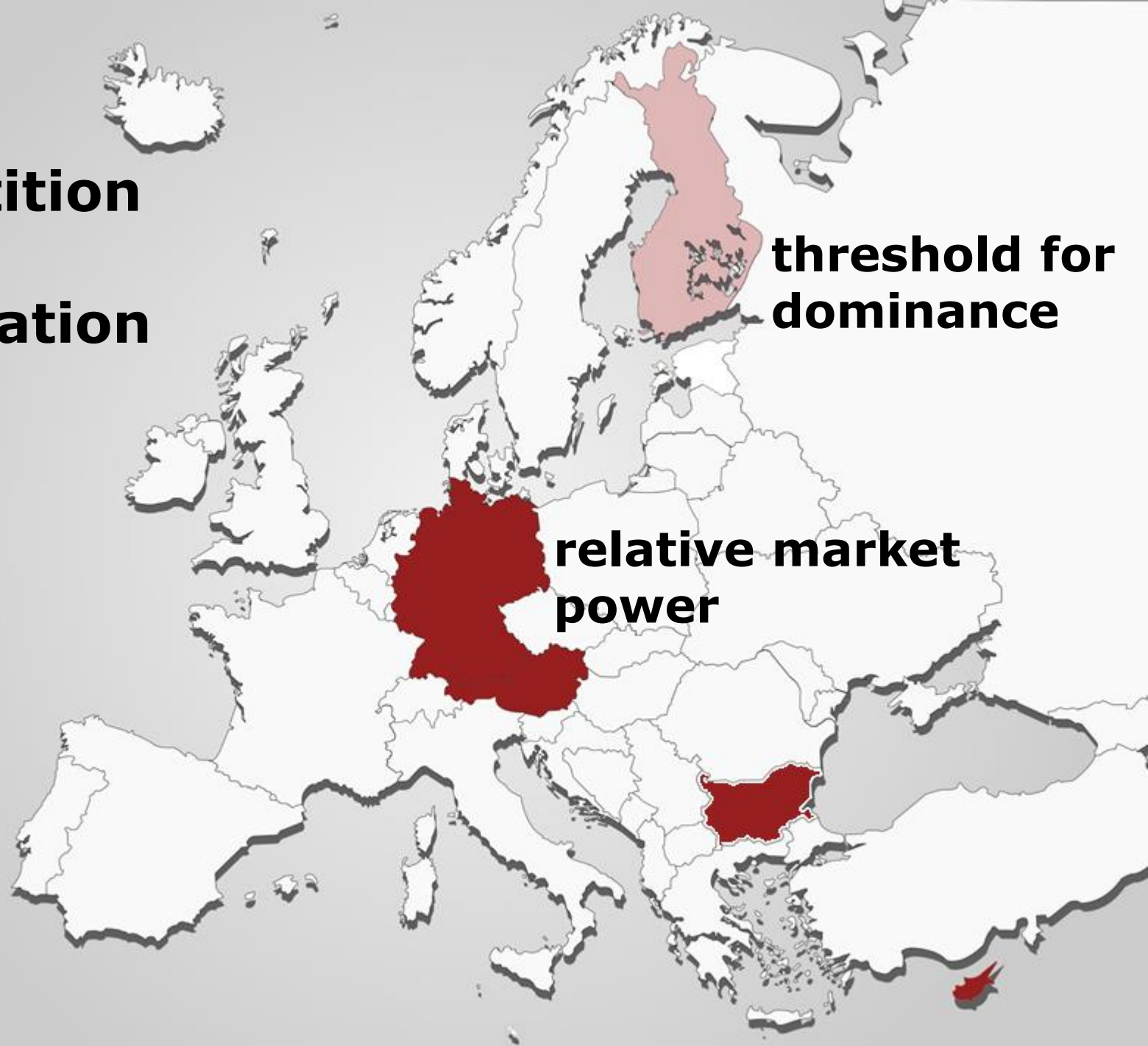
**UTP-specific
legislation**

**Different
enforcement
models**



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Competition law modification

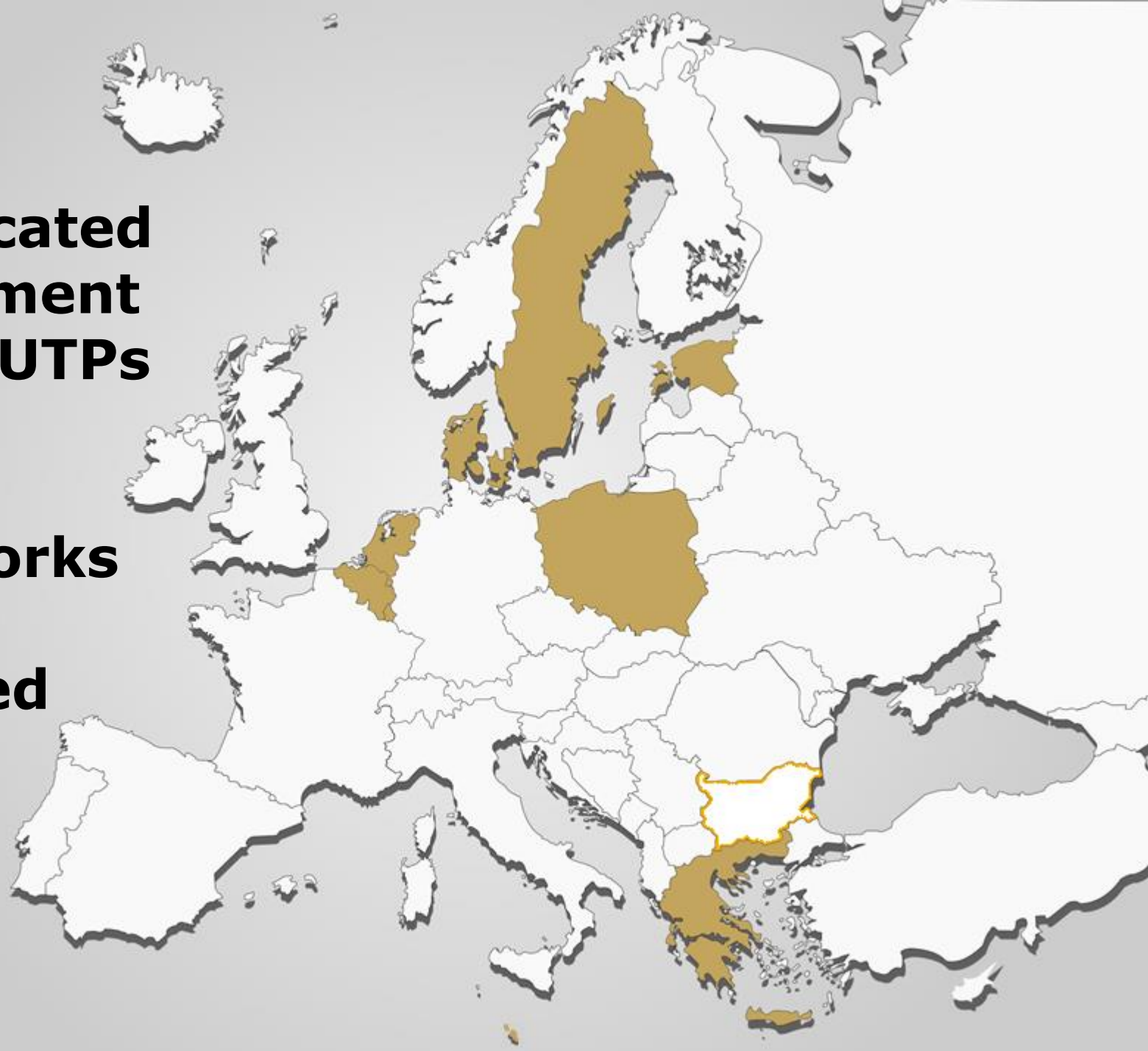


**threshold for
dominance**

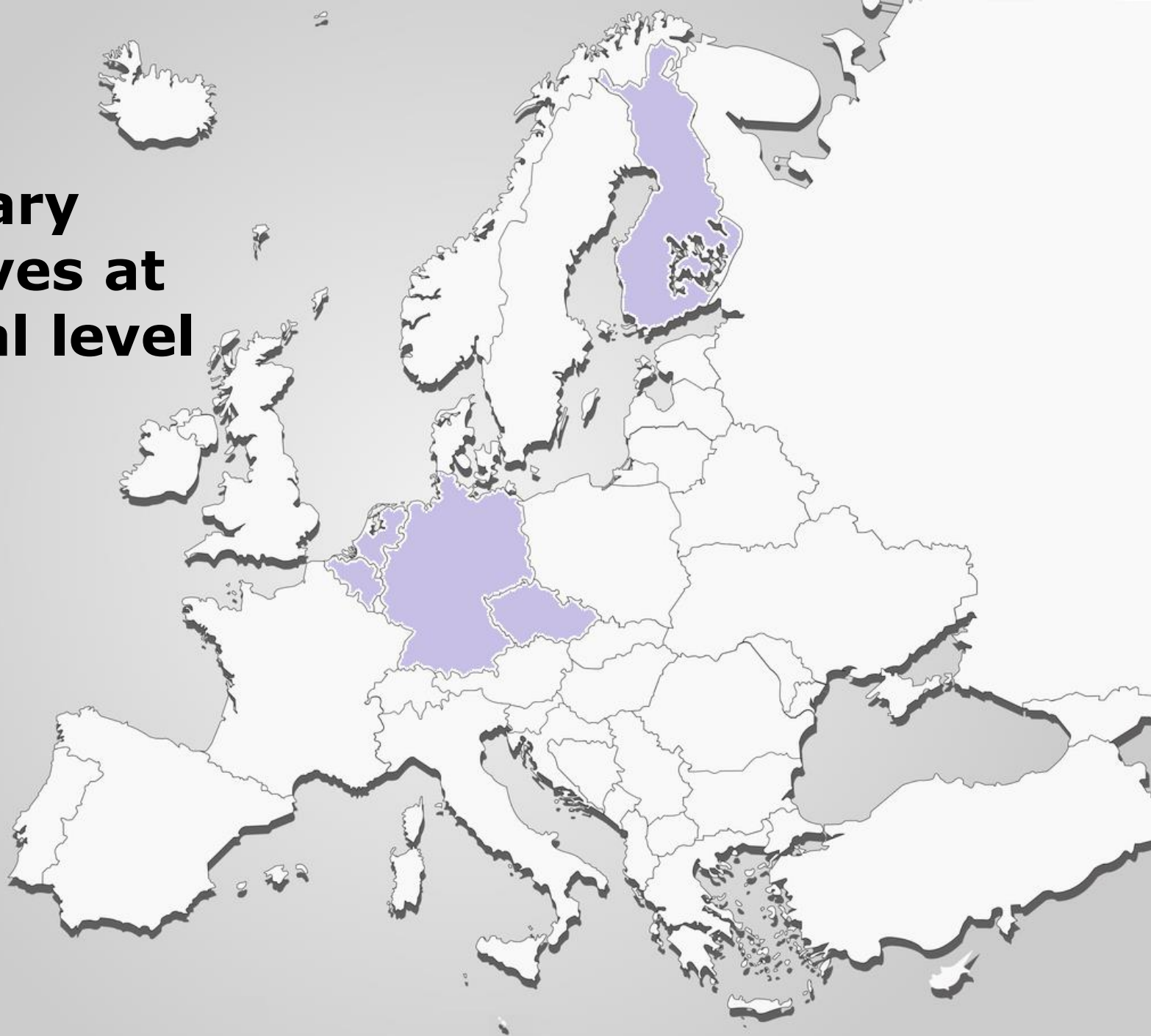
**relative market
power**

**No dedicated
enforcement
against UTPs**

**New
frameworks
being
discussed**



Voluntary initiatives at national level



Why Communication instead of EU legislation?

- UTPs mostly applied at domestic level
- Many Member States already addressing UTPs or planning to do so
- Enforcement is key but difficult to define "one-size-fits-all" solution
- SCI framework should have proper chance to prove its value

Communication

Addressed to market participants, Member States and Commission

Key elements:

- Support of SCI
- Effective enforcement at national level

Follow-up to the Communication

- Independent assessment of SCI and national voluntary platforms by external research company
- Several meetings with Member States, both with ministries responsible for legislation and with enforcement bodies
- Report findings back to EP and Council in early 2016
- Decision whether further EU action required

EP work on UTPs

- EP preparing own-initiative report
- Lead committee IMCO; Rapporteur Dawid Jackiewicz (ECR, PL)
- AGRI committee co-responsible; Rapporteur for opinion Mairead McGuinness
- Draft report tabled in July; Amendments to be discussed in IMCO and AGRI in November; adoption planned for January 2016

Thank you for your attention!

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