

POSITION OF THE BARCELONA INSTITUTE OF MARKETS ON THE “2020 RETAIL SECTOR” EUROPEAN COMMISSION PAPER.

The BARCELONA INSTITUTE OF MARKETS (IMMB) Network: comprising 39 + 9 special markets markets, the biggest network of food retail markets in Europe, member of WUWM Retail, wishes to express its position on the EU Commission paper: “Towards a Fairer and More Efficient Retail Sector in 2020” Report;

1. STATISTICAL INFORMATION

Turnover, market days, people employed...

The Barcelona City Council is the owner of the markets which are **managed by the Institut de Mercats de Barcelona in cooperation with the traders**. The coordinated efforts made by sellers and the city, the new consumer tendencies, and the modernization process experienced by the city markets(138 million € invested from 2008 to 2011), which are the most traditional and offer-concentrated food retail selling centres, has allowed them to successfully compete with other distribution channels or big corporations, thus adapting to many of the XXIst Centurie’s consumers demands.

The Barcelona's municipal markets have a turnover of between 950 million and 1.1 billion euros (8% of the whole retail commerce of Barcelona), making for a cities’ global economic impact of 1.000.000.000 euros.

The total number of direct workers in Barcelona markets is 8,000 people.

Its 39 market halls have 206.769 sq feet of built surface, 109.324 sq feet of commercial surface, and 3.370 businesses.

As part of the Mediterranean city model being developed in Barcelona, in which services are brought closer to people, markets play a prominent role. For this reason, a **model for Barcelona's market has been developed** which is highly considered by citizens and this translates into intensive use, with **65 million visits per year to the city's 39 food markets**.

Markets of Barcelona receive 65 million visits / usages per year. 85% of buyers entering the market on foot.

The average monthly household spending power in markets is of 518 euros. The products the most purchased are fish and shellfish (78%) and meat (74%). 60% of customers will also buy at the supermarket there inside the market, and 40% also makes expenditures in stores in the area, confirming its role as catalyst of trade. Barcelona markets' market share with regard to fresh food products is between 30% and 35% of the total fresh products sold in Barcelona.

According to the Municipal Services Survey 2010, among the municipal services offered, the municipal markets receive one of the highest scores (7).

2. KEY ELEMENTS OF GOOD PRACTICES OF OUR RETAIL MARKETS ASSOCIATIONS.

2.1. Employment and micro business start up schemes.

The Barcelona Retail Markets Network (IMMB) is collaborating with the Barcelona Province Government and the City Business Start-up Agency, in a program offering to unemployed the possibility of opening a business in a vacant post of any of the Barcelona Markets. They are also receiving training sessions by experts of the IMMB ranging from building professional skills to management, duties, regulations, business orientations etc.

Regarding micro business start up schemes, many market halls offer the possibility to the farmers and producers to sell their products, either only part-day or some days of the week. The IMMB fits out an open-air space close to the Market Stall.

2.2. Training.

The IMMB organizes annual Market Seminars addressed to the market sellers, where are trained on topics of their interest.

MERCABARNA (Wholesale Food Distribution centre) and the traders associations, offer professional courses for every food-related profession: grocery, fish, butchers...generally to answer to the cities and markets professionals demand.

2.3. Green Credentials.

- The IMMB favours the commerce of proximity by the simple fact of maintaining, refurbishing and enlarging the city food retail markets network: creating more sustainable markets, increasing the services they offer (widening opening times, service delivery, self service, internet buying...) The proximity is not only understood in the sense of avoiding pollution caused by a too big concentration of big commercial areas in the city outskirts, but also because of the recent tendency of, for similar products, selling food produced in the nearby regions.

- With the progressive introduction of recycling practices, with intensive campaigns with organic and paper rubbish containers, by raising awareness to the sellers and consumers of the importance of doing so, with excellent outcomes (45% of the recycled rubbish is organic in the Barcelona public markets).

- Encouraging and promoting the seasonal product and the local product, something that leads to a more sustainable consumption, with less transportation and contamination.

2.4 Promotion of healthier alimentary habits.

City markets are engaged and interested in the promotion of healthier alimentary habits. The initiatives developed in this area are very interesting:

- The Markets have always closely worked with the local and regional Public Health Agency. Because of their centrality and impact they have in our city, markets are always paying a strong attention to food regulations, undergo periodic supervisions, and are usually the first in applying and adapting to the new requirements. Because of its mutual benefits, we think that this public sector coordination should be reproduced also with the EU competent authorities.
- Markets also promote healthier alimentary habits with communication campaigns promoting the balanced alimentation, the Mediterranean diet, the seasonal products...
- Markets are currently developing many other “socially responsible” projects linked to healthier habits: either like educational projects, consisting in adapting contents like “alimentary habits, culinary education, food, and even working with new technologies” that are introduced as a curricular offer to the general school education. (Barcelona), or like in projects to learn the region’s traditional food receipts (Marseille), or even incorporating the markets in the cities touristic offer (Torino)...
- Organizing International Market Fairs, conceived as a space for the citizens participation and leisure-oriented, to which take part many European cities, promoting their respective traditional products, way of cooking and letting know their respective certifications of origin.

2.5 Other best practices.

City Markets Networks are well recognized because of their deep integration in the city, the citizens intensive use, because they provide commercial synergies and become centre of services of their neighbourhoods, maintain qualified professionals and has a strong potential of creating new SME and even micro business. Finally, because they are excellent platforms to reach the people, communicate healthy habits, ecology and proximity, among others.

Urban planning practices with regard to retail.

But above all, the Barcelona markets Network is known because of their markets modernisation process.

One of the fundamental tasks that the Institute de Mercats de Barcelona has been carrying out since it was created is the **modernisation and remodelling of the markets, as part of the municipal policy to boost local commerce.**

This process, that has been agreed upon by the traders of each one of the markets and involves their active participation, starts by analysing the evolution of trade and how to adapt the markets to make them commercially competitive and meet the demands of citizens.

The modernisation of a market involves adapting the commercial range, infrastructures and services to meet demand, and is the fruit of commercial and social studies conducted within the sphere of influence of each market. Moreover, the markets also play an important role as social cohesion tools, places of meeting and have an important impact in the economic and social dynamizing of a neighbourhood. The

urban, economic and social implications of this kind of retail business are further beyond the mere fact of commerce.

It is developed in accordance with the so-called **Barcelona remodelling model, and involves a number of levels of intervention:**

- Restoring the architectural value of the building and its artistic features.
- Redefining the combination of shops (commercial mix), adapting it to make it commercially sustainable and introducing new operators to complete the offer.
- Moving the market's logistics underground and creating parking spaces and unloading bays where possible.
- Selective waste collection and environmental commitment.
- Promoting the markets through commercial promotion and communication campaigns and through the publication of their own media.

2.6. Ideas for Retail Lobbying.

Today, in the XXIst century, city markets (market halls and open-air markets) are still a central part of the urban life in many European cities, and account for an important part of the food retail sector in the EU. They are currently in a cross point: facing big challenges but at the same time successfully adapting to new times due to the new spirit of modernization and revitalization coming from market traders and public institutions.

City market are places that allow to market customers and citizens to meet with traders, producers and public operators, all taking part of the process of modernizing and pushing markets to their best.

Why should city Markets play a role in the definition process of the 2020 EU Retail Sector Agenda?

The city Markets can contribute to reach their objectives in several ways:

1. Because we incorporate many other values linked to commerce and new social consumption patterns.

City food retail markets Networks, have contributed in the past to the European construction by boosting the commerce and exchanges among cities, and can play an important role to obtain a bigger cohesion to the Food Retail Sector in the future, if we understand them not just as commercial places, but also as important centers of trade of proximity, as agents of economic and social development, as creators of values linked to the social cohesion, the public health, the environmental sustainability and promoters of new concepts like food of proximity, sovereignty, ecology, slow food.

Their semi- public character, the fact that many European cities have their own (bigger or smaller) network of markets make of them a very valuable tool to introduce new methods, professions, services or experimentations that will really reach the consumers, sellers and producers.

At the same time, they accumulate a big experience on urban planning practices with regard to Retail.

2. Because they are a European important actor in the Food Retail SME sector.

City food retail markets Networks, regardless if they are coordinated by a public, private or semi-public body, *are perfect examples of Food Retail SME sector because under their roof gather thousands of independent owners/operators/farmers and even “micro-retail business” as defined in the EU 2020 Retail Sector Report.* We think that this kind of food retail SME is underrepresented in the Conferences, hearings and lobbying platforms in the Commission, and we think they should have a voice to complement the one of the strong multinationals and big hypermarkets chains.

3. Because the city markets participation would offer to the European Cities the possibility of taking part in the EU 2020 Agenda debates, as competent authorities in the city commerce.

On the other side, in most of the City Markets management take part public authorities and bodies, which have important competences in our cities on commerce and food retail sector, either in its promotion or in its regulation. The participation of the cities food retail markets in the sector’s regulation or in the implementation of new measures, would allow a channel for the important participation of this public bodies and cities to the sector’s dialogue.

4. Because markets offer a perfect environment to conduct pilot initiatives derived from the UE Retail Sector eventual proposals.

The very nature of the food markets, their central location in our cities, their popularity and the fact that they are places of meeting, do make of them perfect places to conduct Pilot experiences or some measures that may be promoted by the EU Commission in the frame of the EU Commission paper on the Retail Sector. The markets offer themselves to be the first in applying the new requirements, labels or whatever any other dinamizing measures that may be decided in this process.

Our Proposals:

- ❖ We want to defend and promote the public networks of Food Retail Markets as a commercial and distribution model. They are part of the history of many European cities, have many other positive externalities, (not only profit making-oriented) and have a big potential to give answers to the new social consumption patterns. We also want to preserve the usefulness of a mixed public-private model of management.
- ❖ The city food markets and their networks can be used as a platform for many of the initiatives promoted by the EU 2020 Retail Sector Strategy. We can give our advice and wish to be considered in the solutions:
 - demand concentrating, forming of retail networks,
 - promoting sustainable consumption patterns,
 - labeling,
 - taking part as supervisors of the price fixing structures (abusive practices...),
 - groceries, fishmongers shops, butcher's or greengrocers professional codes of practices.
 - healthier nourishment, sustainable projects.
- ❖ Because of the very nature of the public food retail markets, we have many good practices to offer in the following sectors:
 - Urban planning practices with regard to retail
 - Sustainable consumption patterns
 - Green growth and fostering of ecologic production.
 - Fair and ethical trade.
 - Promoting employment of minority communities.
 - Training programs in the retail sector.
 - Giving more opportunities for micro business start ups.
 - The improvement of the interaction of the markets with their social environment

Many other European City Market Networks that have contributed to the present position paper are supporting our initiative and are also engaged in participating in the process if required.

The Cities food retail market networks wish to have their own voice, to be heard and considered in the EU food retail sector's positions formation process.