

I Press Release

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Geoblocking proposal exposes gaps in Single Market

EUROCHAMBRES welcomes today's European Commission proposal for a Regulation on geoblocking. The objective of the proposal – the prevention of discrimination in the Single Market – is laudable, but the proposal essentially lays bare the many remaining gaps in the Single Market.

Freedom of contract as the cornerstone of doing business

EUROCHAMBRES is pleased to see that the right of contractual freedom is respected and that no obligation to sell to specific markets has been introduced; while unjustified (price) discrimination solely based on the nationality or residence of a consumer will be prohibited, businesses will still be allowed to offer different treatment to customers on the basis of differing market conditions and national regulations.

"A company should not be forced to sell its goods or services to a consumer based in a country if it is unfamiliar with the applicable national laws. This is particularly valid for smaller businesses, so the Commission is right to target only unjustified practices if a company actively seeks to service a market," said Arnaldo Abruzzini, CEO of EUROCHAMBRES.

Symptom of an incomplete Single Market

While the proposal is balanced in its current form, EUROCHAMBRES considers that a more ambitious agenda for the Single Market would have made the current proposal obsolete. The Commission and member states must in parallel address the fundamental reasons why suppliers choose not to service certain EU markets or offer different conditions, such as differing VAT and national consumer protection regimes, or licencing requirements.

Mr Abruzzini explained: "Today's proposal focuses on the right issues. However, we would have preferred not to need any proposal on geoblocking, as this is a symptom of a still highly incomplete Single Market. Ministers gathering at tomorrow's Competitiveness Council should commit to affirmative actions to break down the many remaining barriers to cross-border trade and then deliver on that commitment swiftly and effectively."

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