



RELATIONS BETWEEN FRANCHISORS AND FRANCHISEES: POLICY OPTIONS

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Structure

- About EuroCommerce and retail
- The contribution of franchising
- Policy options
- Conclusion

EuroCommerce: the voice for retail and wholesale in Europe

EuroCommerce stands for fair, competitive and sustainable trade

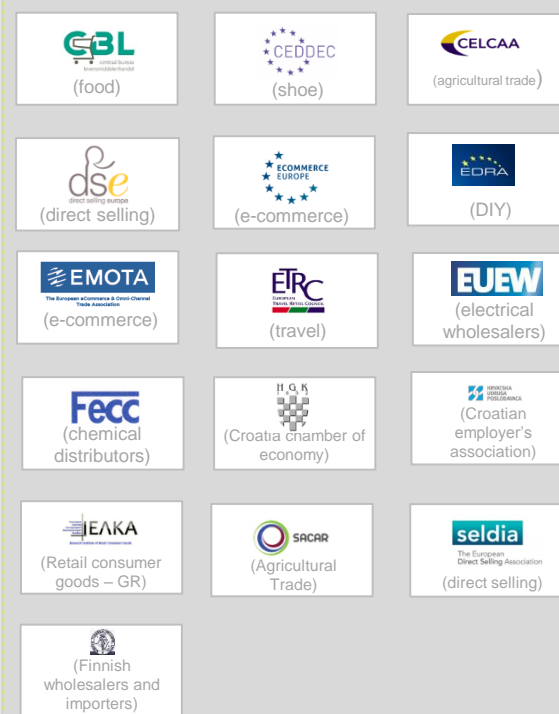
National Associations



Companies



Affiliated Federations



Retail & wholesale is...



5.4 MILLION
COMPANIES



1 OF EVERY 7 WORKERS
IN THE EU



10.6%
OF GDP



INNOVATION

- Processes
- Products
- Experiences



AND IT PROVIDES...



Choice



Clear Product
Information



Jobs



Convenience



Affordability



Tax Revenue

Franchising contributes with...

- Nearly 14.000 brands & over 500.000 outlets in Europe
- Over 3 million employed
- Easier access to markets –local, regional or national
- Lively city centers
- SMEs competitiveness and Entrepreneurship
- Transfers of know-how and innovation

Franchising definition

- **A special type of agreement** whereby one undertaking (the franchisor) grants to the other (the franchisee), in exchange for direct or indirect financial consideration, **the right to exploit a package of industrial or intellectual property rights** (franchise) for the purposes of **producing and/or marketing specified types of goods and/or services**.
- Cuts across sectors: furnishing, food, retail, car services, cleaning, hair dressers, other services to people, business services, training, fast foods, catering, hotels, travel agencies, real estate
- Huge variety of franchise relationships and formulas

Policy options

- **Establish facts**
 - > Franchising is complex, involves many sectors and formulas
 - > A generic approach, not a sector specific approach
- **Competition law**
 - > Protect competition on the European market; consumer benefit
- **Contract law - subsidiarity**
 - > Usually has a fairness element
- **Self-regulation**

Conclusion

- Establish the facts
- Avoid a sector specific approach
- Subsidiarity should prevail