



July 2024

FoodServiceEurope Position on the evaluation on the Directive on unfair trading practices

About FoodServiceEurope

FoodServiceEurope represents the European contract catering sector at the EU level. It brings together 10 National Member Associations, as well as four Associate Member companies, which together represent a significant share of the EU market.

Contract catering encompasses food and ancillary services provided to people working or living in communities – private and public undertakings, schools, universities, hospitals, retirement homes and prisons – under the terms of a contract with the client communities. It is a unique part of the food system and differs significantly from other forms of food service, as services are provided on the premises of the contracting party, which awards contracts through procurement tenders.

With an annual turnover of around €25 billion, the sector's 600,000-strong workforce delivers approximately 6 billion meals each year to workers, civil servants, pupils, students, hospital patients and care home residents in the EU.

Main Recommendation: Extend the scope of the Directive to include the provision of food services

FoodServiceEurope believes that fostering fair contractual relations amongst all actors in the supply chain is essential to provide high-quality, safe, and affordable food to consumers. Therefore, the contract catering sector welcomes the opportunity to provide input to the evaluation of Directive 2019/633 on unfair trading practices in the agricultural and food supply chain.

The current Directive does not sufficiently consider the specificities of the contract catering sector and its unique position in the food supply chain. This is because the scope of the Directive only applies to the sale and purchase of food products but not the provision of food services in business-to-business relations. As a result, our sector needs to comply with the requirements and obligations as buyers of food products but does not have equivalent protection in their dealings as suppliers.

The prohibition for buyers to agree with their suppliers on payment terms of more than 30 days for perishable products is an example of this asymmetry of rights and obligations. Late payments, particularly by national and local public authorities, continue to be a very serious problem for our industry. While the situation diverges substantially across Member States, in national markets payment terms from public authorities can reach up to 200 days, creating serious burdens in terms of

cash flow for catering companies. Operators in the contract catering sector are therefore unfairly squeezed between their buyers, often public authorities outsourcing catering services, and their suppliers.

Moreover, the protection framework afforded by the Directive, including the possibility of submitting confidential complaints to Member States' enforcement authorities, is also precluded to our sector.

We therefore believe that it is essential to revise the Directive as soon as possible to extend its scope to cover the provision of food services.