



## WUWM DECLARATION

Palma de Mallorca, Spain

*17 September 2010*

On the occasion of the World Union of Wholesale Markets (WUWM) Conference held in Palma de Mallorca, Spain under the theme: "A Global Supply to Meet Demands of All Kinds", delegates from 30 countries gather here today to express unanimous agreement of the following:

- **ACKNOWLEDGING** the current trends in the wholesale market sector and mindful of the challenges and opportunities present in the current global economic climate, we recognise the need for wholesale market management to be operationally and strategically focussed on ensuring that excellence, innovation and professionalism abound in the supply of market infrastructure and service provision. This in turn ensures that the businesses on the markets receive the best opportunities possible to compete and flourish in a global food industry that is rapidly changing and increasingly demanding.
- **ANALYSING** the social and commercial responsibilities arising from sustainable environmental management, we urge wholesale markets to take advantage of the many possibilities and opportunities that new technology provides, especially in terms of production and energy efficiency, as well as waste management. In addition, the ongoing modernisation of market infrastructure, both wholesale and retail, provides not only for improved environmental conditions, but is also conducive to offering traders logistical platforms that support the increase of added-value services.
- **RECONFIRMING** the wholesale and retail commitment to ensuring market premises meet the highest standards of food safety, WUWM pledges its support to help its member markets implement the recently adopted European Community Guide for Good Hygienic Practices; thus continuing our good collaboration with SANCO, as well as with other departments of the European Commission.
- **REVIEWING** the important contribution markets make to global food security, it is clear that wholesale markets offer producers a unique and vital alternative route to market. Wholesale markets also provide for increased farm to fork food chain efficiency, ensure price transparency and support healthy-eating initiatives. In reconfirming the market role as an important promotional vehicle for increased public consumption of fresh fruit and vegetables, we request funding assistance that can help further develop cross-border activities.
- **DEVELOPING** the link between wholesale and retail markets is of growing importance to ensuring sustainable and effective local/national food policies exist. WUWM confirms its ongoing commitment to developing this task and providing decision-makers with information in this area.

Furthermore, WUWM would like to underline some points subject to debate in the Conference, as summarized by Mr Ignacio Cruz Roche, President of Mercasa, during the Conference Closing Ceremony:

1. **CONCENTRATION AND LARGE SCALE ECONOMY.** The wholesaler who operates from a wholesale market may benefit from concentration and large-scale economy. This large-scale economy arises from the fact that they present a stronger attraction to clients, in comparison to those wholesalers located outside of the wholesale market. In this way, retailers supplied by the wholesale market will come from a wider geographical area.

This large-scale economy results in a reduction of operational costs through an increased turnover generated by wholesale market operations. For example, the reduction in the cost of basic services (e.g. cleaning, surveillance, energy supply, and so forth) as well as a reduction in the cost of complying with legislation, (e.g. environment, waste management, food safety, etc).

2. **SPECIALISATION WHOLESALE/RETAIL.** A wholesale market should provide an extensive and specialized product range, maximising economic value through its dealings in enabling the large scale supply and distribution to bulk buyers. On the other hand, a retail market offers a wider diversity of product to a larger group of buyers, but in smaller quantities. These differences in marketing and management suggest that the wholesale and retail trades should continue to be specialised.
3. **PUBLIC POLICIES.** Unquestionably, public policies to support commercial food supply and distribution have a very important role. However, they can, in some circumstances, cause market distortions.

Public authorities wanting to invest in improving the food distribution chain should focus on bringing about the improvement of location and basic site infrastructures, such as equipment, transport, etc so that entrepreneurs, both wholesale and retail, may operate under the same conditions and at comparable cost to those traders located outside the market. In this way, unfair competition can be avoided.

In closing, we take this opportunity to thank Mercasa and Mercapalma Wholesale Market for their excellent hosting of this WUWM Conference, and we offer them our thanks and congratulations for this success.