

# Retailers: Enforce EU rules on thirdcountry traders and marketplaces!

Today, retailers and wholesalers across Europe <u>call for concrete action on competitiveness</u>, for <u>a levelling of the playing field</u> and for **more effective and efficient enforcement** of EU rules to ensure all products offered to consumers in Europe are safe, not misleading and in compliance with all EU rules.

EuroCommerce Director General, Christel Delberghe, launched a campaign for more effective and efficient enforcement against unfair competition from third-country players under the hashtag #Compliance4all, while speaking on a panel with Commissioner Didier Reynders and Chair of the Internal Market Committee in the European Parliament, MEP Anna Cavazzini, at the Commission's International Product Safety Week conference.

Launching the initiative, Ms Delberghe said: "The EU has the highest level of consumer protection and product safety in the world. But increasingly, we fall short on enforcing our own rules particularly when it comes to third-country traders and marketplaces. Many national authority networks are looking at enforcement of EU rules but are not working efficiently together."



Overview of the sheer number of EU networks of national authorities and European Commission DGs in the EU that need to coordinate to help protect consumers and create a level playing field for EU-based retailers.

Across Europe, while EU-based retailers and wholesalers strive tirelessly to meet strict regulatory standards they increasingly contend with **unfair competition from non-compliant third-country players**. This massive influx of non-compliant products and misleading offerings puts **consumers' safety at risk.** It also creates unfair competition for EU-based retailers that need to meet high standards and bear the cost of compliance. The impact is felt across multiple sectors - toys, cosmetics, textiles, shoes, electronics, to name but a few.

"We need an immediate, coherent and coordinated enforcement strategy from all relevant enforcement authorities and the European Commission. This is crucial for the safety of consumers and to maintain a vibrant, innovative and diverse European retail sector by 2030.", added Christel Delberghe.

EuroCommerce encourages all relevant authorities to develop concrete enforcement action plans together and utilise all available instruments, including EU subsidy provisions, to ensure fair competition in the EU and a high level of consumer protection.

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#### Note to the editor

You can find all the information on our call and supporting studies on our website: <a href="https://www.eurocommerce.eu/compliance4all/">www.eurocommerce.eu/compliance4all/</a>

We will continue to update the information on our webpage as the subject develops.

**#Compliance4All** addresses the fact that, particularly with the growth of online sales, third-country traders and marketplaces have been expanding rapidly in Europe and are largely (free)riding roughshod over EU legislation, putting consumers in danger and leading to a distinctly un-level playing field, just when the EU is in critical need of boosting its own competitiveness. **All businesses targeting consumers in the EU should comply with EU rules**, regardless of where they are established.

#### **Background information**

#### The impact of unfair competition

EuroCommerce members, custom authorities and consumer organisations in Europe have started testing and checking products and product offerings in the past months and will continue to do so.

These tests reveal that the products tested of third-country operators often violate a wide variety of EU legislation by offering products that do not comply with EU product safety rules, not respecting EU consumer protection rules, breaching data protection rules, creating unsafe online environments, misleading and manipulating consumers, lacking due diligence, disregarding customs rules, receiving subsidies, and more.

In short, some third-country players, trading on the EU market, do not comply with European rules and regulations. By now, ample evidence is available that illustrates the growing challenges that this poses.

#### Consumers are suffering from unfair competition in multiple ways

These products often contain chemicals that pose health threats above legal limits, and they can pose suffocation or strangulation risks (e.g. toys, textiles). Also, information about environmental impact can be incorrect, reports indicate that products are possibly made with forced labour, and regularly consumers are exposed to aggressive marketing practices that push them into buying products they do not want or need, while important information is often omitted.

## European Commission and Member States must prioritise enforcement and enforceability of new legislation

If the EU truly wants to be a vibrant, healthy and competitive European retail sector in 2030, with strong EUbased players and protected consumers, decision-makers and enforcement authorities need to create a level playing field

This requires high-level political support from the EU executive and the Council to drive a swift *and* coordinated effort by the various Commission services and national authorities' networks responsible for market surveillance, product safety, consumer protection, online content, data protection, extended producer responsibilities schemes, customs, and more. These authorities must collaborate effectively at both EU and national levels.

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**EuroCommerce** is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 28 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.