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Opinion of the European Economic and Social Committee

Call for fair competition with regard to third country platforms

(own-initiative opinion)

(C/2026/6)

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1. Conclusions and recommendations

1.1. Third-country e-commerce platforms such as Temu and Shein have expanded their presence in the EU market in an unprecedented way, creating significant challenges regarding fair competition, consumer protection and regulatory compliance. Between 2016 and 2022, the share of EU consumers purchasing from non-EU sellers rose by 36 %.

1.2. The EU toolbox for safe and sustainable e-commerce ([1]), published in February 2025, includes valuable proposals but lacks the necessary urgency. It should be implemented as soon as possible to protect our Single Market. What is now needed is a coordinated approach and stronger enforcement of existing rules at EU, national and regional level. Harmonised action is essential to hold third-country platforms accountable for unfair competition, tax evasion and non-compliance with EU standards on product safety, waste, sustainability and consumer and workers' rights.

1.3. The EU customs reform ([2]) must be implemented as quickly as possible. This applies in particular to the part concerning e-commerce. The European Economic and Social Committee (EESC) urges the EU Member States to immediately give the EU Commission a mandate to develop the customs data hub.

1.4. Authorities often struggle to apply rules to actors outside their jurisdiction and to identify responsible parties in cross-border e-commerce. Third-country platforms must therefore appoint an EU-based responsible economic operator with full legal liability and be recognised as central actors in the supply chain. The Consumer Protection Cooperation (CPC) platform should be used for this purpose.

1.5. Many non-EU platforms lack transparency in supply chains, workers' rights, labour conditions and environmental standards. EU due diligence laws like the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD) aim to address these risks.

([1]) COM(2025) 37 final.
([2]) COM(2023) 257 final.

1.6. The EESC calls for stronger enforcement of consumer protection laws and the Price Indication Directive in response to repeated violations by platforms like Shein and Temu. These platforms also neglect EU waste and packaging rules, shifting disposal costs to others by failing to appoint authorised representatives.

1.7. The EESC proposes short-, medium- and long-term measures that will lead to fair competition and thus meet the requirements for a Social Market Economy as laid out in Article 3.3 TEU ([3]).

2. **General comments**

2.1. ***Context of the EU regulatory framework and market situation***

2.1.1. The European Union is based on the principles of a social market economy according to the treaties, which includes high competitiveness of it enterprises (Article 3.3, TEU). Such competitiveness will only be achieved when it is based on fair rules and a level playing field with regard to competitors from outside the Union.

2.1.2. Third-country e-commerce platforms such as Temu and Shein have expanded their presence in the EU market in an unprecedented way, creating significant challenges regarding fair competition, consumer protection, and regulatory compliance. Between 2016 and 2022, the share of EU consumers purchasing from non-EU sellers rose by 36 % ([4]). The scale of the challenge is unprecedented: every day, an estimated 400 000 parcels from Shein and Temu are shipped to Germany alone ([5]). In 2024, 4.6 billion low-value parcels entered the EU – equivalent to 12 million a day – more than three times the volume in 2022. Over 91 % of parcels valued under EUR 150 came from China, where Temu and Shein ([6]) manufacture and dispatch most of their products ([7]).

2.1.3. The EESC notes that a large proportion of shipments from these platforms are undervalued or undeclared, or fail to comply with EU standards ([8]).

2.1.4. Against this background, the EESC asserts that there is a regulatory and implementation gap and believes an urgent call for action is required. The EESC welcomes the EU-Commissions' recent announcement ([9]) introducing a package handling fee for parcels from third countries.

2.1.5. The EU toolbox for safe and sustainable e-commerce, published in February 2025, includes valuable proposals but lacks the necessary urgency. What is now needed is a coordinated approach and stronger enforcement of existing rules at EU, national and regional level. Harmonised action is essential to hold third-country platforms accountable for unfair competition, tax evasion and non-compliance with EU standards on product safety, waste, sustainability and consumer and workers' rights. National responses like Germany's e-commerce action plan ([10]) or Poland's letter to Shein ([11]) show that Member States are already taking steps – but fragmented action is not enough.

2.1.6. Against this background, the EESC urges EU institutions to take further swift and decisive action to safeguard the integrity of the internal market.

([3]) Treaty on European Union.
([4]) Study for further evaluation of the geo-blocking regulation, European Commission, July 2024.
([5]) K Zheng, S., Industry Insights: Decoding Shein and Temu, Coresight Research, 2024.
([6]) Shein, The Guardian, April 2025.
([7]) European Commission press release on e-commerce imports, 2025.
([8]) The European Commission reported in the EU Safety Gate 2023 results that, in 2023, 3 412 dangerous products were reported to the EU Safety Gate, which is a 60 % increase. China accounts for 37 % of dangerous products reported.
([9]) Remarks by Commissioner Šefčovič in the EP IMCO meeting, 20.5.2025.
([10]) German Federal government action plan on e-commerce, January 2025.
([11]) Letter from the Polish government to Shein, 27.5.2024.

2.2. ***Regulatory arbitrage by third-country platforms***

2.2.1. Consumers trust online platforms to provide safe, compliant products ([12]), yet this trust is often misplaced:

(a) Kaupan Liitto (Finnish Commerce Federation) tested a wide range of products in 2024, ranging from home appliances and kitchenware to toys, clothing and cosmetics. None of the products tested were fully compliant with EU law ([13]).

(b) In February 2024, a test conducted by the association Toys Industries of Europe (TIE) revealed that 18 out of 19 toys sold by the Chinese online platform Temu did not comply with the European Toy Safety Directive ([14]).

(c) The CPC Network has identified multiple practices on Temu that likely breach EU consumer protection laws, including fake discounts, pressure selling, and manipulative gamification features. The platform also obscures return conditions, lacks transparency on reviews, and makes it difficult for consumers to access support ([15]).

(d) In November 2022, Greenpeace raised concerns about hazardous chemicals in products from a non-EU-based platform. Tests on 47 items showed that 15 % exceeded EU legal limits, and 32 % contained chemicals at potentially harmful levels ([16]).

2.2.2. Studies suggest that Chinese State subsidies ([17]) support these digital platforms' entry onto the European market, enabling them to operate at significantly lower costs. These advantages, combined with weaker regulatory oversight, create regulatory arbitrage and distort competition in the EU Single Market.

2.2.3. Audits show potential abuse of the Import One-Stop Shop (IOSS), including fraudulent use of IOSS numbers and tactics likeundervaluation and shipment splitting to avoid customs duties ([18]). In the Netherlands alone, over 718 million of more than 1 billion customs declarations in 2023 came from e-commerce, overwhelming enforcement capacities ([19]). Due to limited resources only a minimal percentage of these shipments can be checked, which leads to under-declaration by non-EU-based players, to remain under the EUR 150 customs threshold ([20]). Market surveillance and customs enforcement must be expanded and digitalised. The EESC urges the EU to invest in digital customs systems and equip national authorities to better detect and prevent fraud ([21]). To this end, the EU customs reform ([22]) must be implemented as quickly as possible. This applies in particular to the part concerning e-commerce. In order to ensure coordinated customs clearance of parcels from third countries destined for European end consumers, the customs data hub must be developed.

2.2.4. The enforcement capacity of national market surveillance authorities varies significantly. The EESC calls for EU-level coordination and believes that funding is required to reduce enforcement gaps. Authorities often struggle to apply rules to actors outside their jurisdiction and to identify responsible parties in cross-border e-commerce ([23]) ([24]). Third-country platforms must therefore appoint an EU-based responsible economic operator with full legal liability and be recognised as central actors in the supply chain. The 'deemed importer' model would ensure accountability for all import-related obligations.

([12]) A survey by the Federation of German Consumer Organisations (vzbv), published on 28 November 2024, found that 93 % of consumers expect platforms to ensure compliance, but, in practice, many products pose health, safety, or legal risks.
([13]) Kallio, I., Kurjenoja, J., Competitive advantage of Asian e-commerce – Test purchases from the Temu.com marketplace, 17.9.2024.
([14]) TIE test on Temu, 20.2.2024.
([15]) European Commission press release on Temu, 8.11.2024.
([16]) Greenpeace, Taking the Shine off Shein, 13.11.2022.
([17]) Sarek, L.: Party-state Support for Chinese E-commerce Export Development, 2024.
([18]) HDE and ibi research – Drittstaatenhändler und ihr Einflusse auf den deutschen Handel [*Third-country retailers and their influence on German retail*], September 2024.
([19]) Douane: Stand van de Uitvoering [*Enforcement Report*], 2024.
([20]) HDE and ibi research – Drittstaatenhändler und ihr Einflusse auf den deutschen Handel [*Third-country retailers and their influence on German retail*], September 2024.
([21]) COM(2025) 37 final.
([22]) COM(2023) 257 final.
([23]) Kallio, I., Kurjenoja, J., Competitive advantage of Asian e-commerce – Test purchases from the Temu.com marketplace, 17.9.2024.
([24]) Douane: Stand van de Uitvoering [*Enforcement Report*], 2024.

2.2.5. Many non-EU platforms lack transparency in supply chains, workers' rights, labour conditions and environmental standards. Investigations reveal extreme working conditions, such as 18-hour shifts and missing labour contracts, especially in China, where most production occurs ([25]). Platforms like Shein are highly exposed to forced and child labour risks ([26]), particularly in cotton sourced from Xinjiang, which supplies 90 % of Chinese cotton ([27]). Algorithm-driven sourcing models further undermine workers' rights, contributing to a resurgence of sweatshop-like conditions. EU due diligence laws like the CSDDD and CSRD aim to address these risks. Additionally, China produces over 26 million tons of textile waste annually, most of which ends up in landfills, exacerbating the environmental cost of ultra-fast fashion ([28]).

2.2.6. The EESC highlights data protection risks and the use of manipulative design tactics ('dark patterns') by platforms like Temu and Shein, such as fake urgency ([29]) and gamification ([30]) to influence consumer behaviour. Consumers, especially younger ones, must be educated and enabled to recognise the manipulative sales incentives of third-country platforms. These practices may violate the Digital Services Act (DSA) ([31]). Ongoing complaints by the Polish government ([32]) and BEUC ([33]) underline these concerns. The EESC supports current DSA proceedings and calls for broader investigations into high-risk platforms.

2.2.7. The EESC calls for stronger enforcement of consumer protection laws and the Price Indication Directive ([34]) in response to repeated violations by platforms like Shein and Temu. Authorities and the CPC Network have documented fake discounts, pressure selling, misleading safety information, and hazardous products. These platforms also neglect EU waste and packaging rules, shifting disposal costs to others by failing to appoint authorised representatives. Lack of transparency, unclear return policies, and fake reviews further disadvantage consumers – especially younger, price-sensitive users targeted through manipulative design. The EESC urges coordinated enforcement, digital monitoring, and clear accountability rules to close these regulatory gaps.

3. **Specific policy recommendations**

The EESC proposes short-, medium- and long-term measures that will lead to fair competition and thus meet the requirements for a social market economy as laid out in Article 3.3 TEU.

3.1. ***Short-term measures***

3.1.1. *Require third-country platforms to appoint an EU-based responsible economic operator with full legal liability*

The EESC supports the introduction of a mandatory financially and legally accountable responsible economic operator in the EU for all third-country platforms. This person or entity must be fully accountable for ensuring product compliance, receiving official documents, and responding to enforcement actions. This measure closes enforcement gaps and ensures legal recourse in cases of consumer harm or regulatory violations.

([25]) Issue Brief: Shein, Temu and Chinese e-Commerce: Data Risks, Sourcing violations and Trade Loopholes, 14.4.2023.
([26]) ILO: Forced Labour Observatory.
([27]) Uyghur Human Rights Project: Shein, Temu's Forced Labor Risks Detailed in Congressional Report, 23.6.2023.
([28]) The Economic Times: China's landfills brim with textile waste, 10.7.2024.
([29]) Handelsverband – Press release: Beschwerde wegen festgestellter Verstösse gegen das Bundesgesetz gegen unlauteren Wettbewerb (UWG) durch den Online-Marktplatz von Temu [*Complaint against the online marketplace Temu for breaches of the German Unfair Competition Act*], 4.9.2024.
([30]) HDE and ibi research – Drittstaatenhändler und ihr Einflusse auf den deutschen Handel [*Third-country retailers and their influence on German retail*], September 2024.
([31]) OJ L 277, 27.10.2022, p. 1.
([32]) Letters from the Polish Government to Temu and to Shein, 27.5.2024.
([33]) BEUC: Taming Temu: Why the fast-growing online marketplace fails to comply with the EU Digital Services Act, 16.5.2024.
([34]) OJ L 80, 18.3.1998, p. 27.

3.1.2. *Abolish the EUR 150 customs duty exemption to prevent systematic under-declaration*

The EUR 150 exemption threshold is regularly exploited through artificial splitting of shipments and undervaluation, depriving the EU of public revenue and distorting fair competition. Eliminating this threshold would remove a key incentive for fraud and align customs duties with the actual value of imported goods.

3.1.3. *Enforce the use of IOSS and better real-time monitoring of customs declarations*

The Import One-Stop Shop (IOSS) system streamlines VAT collection for low-value imports, but its optional nature and susceptibility to misuse must be addressed. The approach recently agreed by the ECOFIN Council ([35]) of incentivising IOSS use for all third-country platforms, coupled with enhanced verification and real-time data sharing between customs and tax authorities, has the potential to close significant compliance gaps, while a mandatory IOSS element remains difficult due to enforcement difficulties and the need for a harmonised system of sanctions and penalties. Also against this background, the EESC urges the EU Member States to immediately give the EU Commission a mandate to develop the Customs Data Hub.

3.1.4. *Enforce copyright protections and prosecution of large-scale plagiarism*

There is credible evidence of widespread intellectual property infringement by third-country platforms, particularly in the fashion and design sectors ([36]). EU authorities should work with rightsholders to investigate and sanction violations swiftly, ensuring fair protection for European creators and small and medium-sized enterprises (SMEs). The EESC supports stronger IP enforcement mechanisms.

3.1.5. *Pursue formal complaints regarding anti-competitive practices such as resale price maintenance*

Evidence suggests that some platforms impose contractual or algorithmic restrictions on sellers' ability to set prices freely, infringing EU competition law. The EESC supports the preparation and filing of formal complaints to competition authorities to stop such unfair and anti-competitive behaviour.

3.2. ***Medium-term measures***

3.2.1. *Implement the deemed importer model across the EU*

The deemed importer ([37]) approach shifts responsibility from consumers to platforms, ensuring that the entity placing the product on the EU market is accountable for all customs and tax obligations. This model strengthens legal enforceability and simplifies procedures for both regulators and consumers.

3.2.2. *Working towards a de facto mandatory IOSS registration for third-country platforms*

Platforms that facilitate B2C sales into the EU should become systematically liable for VAT at import in order to register for IOSS and declare VAT transparently. This enhances fiscal fairness, reduces the potential for fraud, and improves data accuracy for tax collection and enforcement.

3.2.3. *Coordinate VAT and customs audits and enable cross-border investigations*

Stronger coordination between tax and customs authorities is needed to combat cross-border fraud. The EUR 150 threshold stems from both customs and VAT law, creating loopholes. The Commission's 2023 proposal to remove the VAT threshold and apply the deemed supplier rule to all imports would improve compliance and reduce administrative burdens. Coordinated implementation is key to closing gaps and ensuring consistent enforcement across Member States ([38]).

([35]) Council of the EU: Press release, 27 June 2025.

([36]) Issue Brief: Shein, Temu and Chinese e-Commerce: Data Risks, Sourcing violations and Trade Loopholes, 14.4.2023.

([37]) The 'deemed importer' is a proposed legal construct whereby digital platforms that facilitate the sale of goods from non-EU countries to EU consumers are designated as the responsible importer for customs and tax purposes. This means the platform – not the end consumer – is legally accountable for ensuring that all import-related obligations (e.g. VAT, customs duties, product compliance) are met. The concept aims to close enforcement gaps and shift responsibility to the party that controls the transaction infrastructure.

([38]) COM(2023) 262 final.

3.2.4. *Expand customs and market surveillance personnel and digital tools*

Customs and market surveillance agencies require significant capacity-building to meet the growing volume and complexity of e-commerce imports. Investment in staff, training, and artificial-intelligence-supported monitoring systems are necessary.

3.3. ***Long-term measures***

3.3.1. *Significantly accelerate the reform of the EU Customs Code*

The planned timeline for the implementation of the e-commerce parts of the EU Customs Code in 2028 is too slow to keep pace with current developments in global e-commerce, to an alarming degree. The reform must be brought forward and include mechanisms to track, trace, and verify parcels from third-country platforms, including through enhanced data collection and cross-border digital infrastructure.

3.3.2. *Develop a unified digital customs and compliance monitoring system*

The EU needs a harmonised digital platform that integrates customs, tax, and product safety data, ensuring consistent monitoring of imported goods. Such a system should allow real-time risk profiling and streamline enforcement actions across Member States.

3.3.3. *Harmonise liability rules for platforms across the EU to ensure consistent enforcement*

Fragmentation in national laws concerning platform liability hampers enforcement and creates legal uncertainty. The EU should adopt a harmonised regulatory framework that clarifies the responsibilities of third-country platforms regarding consumer protection, product safety, and tax obligations, ensuring predictability and fairness for all market participants. Long-term structural reforms, including the accelerated implementation of the revised EU Customs Code, are necessary to respond to the growing scale and complexity of international e-commerce.

Brussels, 18 September 2025.

The President
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Oliver RÖPKE