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Comments from Nordic business organizations on the European Commission's communication on how to tackle the huge number of parcels arriving from third countries to EU consumers, by use of online marketplaces.

The Nordic Coalition for a Level Playing Field that consist of Svensk Handel (Swedish Commerce), Kaupan liitto (Finnish Commerce Federation), Virke (The Federation of Norwegian Enterprise), SVTH (Federation of Trade & Services in Iceland) and Dansk Erhverv (Danish Chamber of Commerce) welcomes that the European Commission is taking action on the situation that is developing into a real crisis for normal EU businesses, for the green transition and the EU consumers. However, the communication lacks teeth and the coalition doubt very much that there will be visible effects of the mentioned initiatives. There is no explicit policy proposal that would balance the competitiveness with EU businesses, there is no reference to the impact on the EU Green Deal initiative and there is no proposal on how to make sure unsafe and unsustainable products to consumers are not even entering the EU market.

Online marketplaces like Temu, Allegro, Amazon, Wish, AliExpress etc. are platforms that facilitate sale of product between EU consumers and sellers in third countries, e.g. China.

Typically, products sold on online marketplaces are cheap and studies have shown that they are often illegal and unsafe. Additionally, the products and packaging that follows the parcels are not captured by environmental legislation.

The online marketplaces are - due to the regulation in the Digital Services Act - not obligated to proactively ensure that the products and packaging are compliant with EU legislation. This creates a huge loophole in the effectiveness of the product safety and the environmental legislation as these parcels and packaging are not connected to a company in the EU that can be held responsible.

In Dansk Erhverv (Danish Chamber of Commerce) they are not satisfied with the communication from the Commission:

When one reads the Commission's assessment of the current EU legislation, it is obvious that - despite good intentions and assurances that sellers in China are obligated to ensure compliance with EU regulation before listing products for sale – these requirements are meaningless when the EU lacks rules to hold online marketplaces (the homepages and apps consumers use) accountable. The sellers in China are outside EU jurisdiction whereas all the well-known online marketplaces are established in EU under EU jurisdiction and are the only reason that the consumers can buy the products.

In this light, we welcome the Commission's initiative to evaluate by November 2025, how the Digital Services Act interacts with other legislations.

However, we are astonished that the Commission focuses solely on traditional consumer rules while ignoring the most critical legal areas undermined by online marketplaces. Notably absent is any mention of the Green Deal and the product safety legislation – key frameworks whose effectiveness must be assessed in relation to the Digital Services Act's "no obligation to monitor" principle.

The Commission appears to assume that if consumers are not "tricked or misled" into purchasing products on online marketplaces, the problem is solved, and they won't buy the cheap and illegal products. Unfortunately, we see a challenge that goes way beyond consumer education and regulation. This is a matter of the EU Commission recognizing that the internal market cannot survive, nor can the green transition become a reality, unless there is always an accountable operator within the EU to enforce compliance with EU legislation.]



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Neither Finnish Commerce Federation is impressed and refers to the lack of resources and tools to make the visions of the Commission a reality.

The Commission seems to put a lot of emphasis and hope on the national market surveillance authorities and their European networks. National authorities do not have the resources needed to fully tackle this growing phenomenon.

The existing market surveillance relies heavily on retrospective, risk-based surveillance, while we would need to make sure that the products are EU-compliant by design before they can enter the European market. The number of parcels coming into the internal market is beyond the capacity of national market surveillance authorities. While we welcome the Commission's efforts to boost cooperation and to support the national authorities in their work with new digital tools, we are disappointed that the communication does not propose a stronger role for the Commission when it comes to market surveillance and doesn't recognize the lack of resources by the national authorities to fulfill the enforcement task. The CPC regulation is a good example of legislation where the role of the Commission should be reinforced. The proposed deemed importer concept in the UCC reform is a step further to clarify the responsibilities of online market places and also enhances more effective market surveillance.

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The Nordic Organizations behind the initiative "Nordic Coalition for a Level Playing Field" have for the last 8 years pushed for a regulation that makes sure that online marketplaces that facilitate the sale of products between sellers in third countries and European consumers shall be seen as importers and such proactively obligated to ensure that all EU legislation is complied with, before the products from their business customers (sellers) are sold. If this is not the case, the online marketplaces should be held accountable.

This is the same obligation that any business importing products from sellers in third countries to EU consumers has already been subject to for the past 30-50 years. That is a duty and an obligation that is seen as a pillar in the EU Internal Market.

The Nordic organizations fear that if the EU does not act fast on this agenda and close the loophole, many reputable European retailers and whole-sale businesses that take a huge responsibility for the green transition and the consumer protection, will disappear from the market.

The distortion of competition that the loophole creates shall also be seen in the light of the growing amount of legislation that traditional retail and wholesale businesses shall proactively comply with and which the online marketplaces are not obligated by.

In this regard Svensk Handel (Swedish Commerce) says:

The European retail industry is facing significant challenges from inadequate legislation and unfair competition. Retailers call for urgent reforms to create a level playing field and secure a sustainable future.

In today's globalized marketplace, the rules governing trade and competition have never been more critical. Yet, the current legislative framework is proving insufficient to safeguard the integrity of European retail. Despite stringent regulations within the EU, dangerous products continue to enter our markets—products that lack traceability, fail to meet safety standards, and often contain hazardous substances. The presence of these non-



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compliant goods poses serious risks not only to consumer safety but also to the long-term sustainability of the retail industry.

Compliant businesses face increasing costs to adhere to rigorous regulations, only to find themselves undercut by actors from third countries who exploit loopholes or ignore these rules entirely. At least 40 percent of the price of a product is related to the cost of compliance. To secure the future of European retail, legislators must strengthen enforcement, harmonize legal frameworks, and ensure that rules are both clear and consistently applied. Only through decisive action can we build a fair and sustainable market that benefits businesses, consumers, and the environment alike.

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Norway is not a member of the EU but is part of the internal market through the EEA agreement. As such Virke – the Norwegian Commerce organization says:

Norway also feels the pressure from the raise in e-commerce through online marketplaces, particularly the ones that are originally from China but also established in EU.

E-commerce is popular with Norwegian consumers, and they shop increasingly on online marketplaces that offer cheap goods through massive marketing, particularly through social media, and rapid and cost-free freight. Norwegian environmental authorities recently found an alarmingly high number of goods offered to Norwegian customers on these platforms that have too high levels of chemicals, which are damaging to health and the environment. Norwegian authorities seem to have no means to stop these illegal products coming into the Norwegian market, which is also part of the internal market.

We are therefore eager to have a common European regulatory framework that will make the online marketplaces proactively responsible for the compliance of the products their sellers place on the European market, in the same way that all importers and retailers are responsible.

National authorities need it, the consumers need it, and European enterprises need it in order to compete and comply with environmental legislation. Norwegian retail wish to have sustainable goods and reduce waste. But without a level playing field that includes the online marketplaces, the Green Deal will be undermined.

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