

31. Januar 2025

Re: Action needed on Temu and Shein

Dear Executive Vice-President for a Clean, Just and Competitive Transition Ribera,

As a democracy and transparency organisation, we would like to express our worries about chinese e-commerce platforms Temu and Shein flooding the European markets with their products, ignoring existing regulations. In recent years, we have focused on the enforcement of legislation as a key part of democratic accountability. That is why we are writing to you today about the very large online platforms Temu and Shein.

There is growing evidence that the companies are not complying with EU law. Consumer protection groups have raised concerns about trader traceability requirements, rules against manipulative design and transparency around product recommender algorithms. Due to these concerns, both platforms are already under investigation under the Digital Services Act (DSA).

We also think that the European Commission should investigate whether Temu und Shein platforms are using unfair competition practices to undermine competition in e-commerce in the EU single market with the help of foreign subsidies. Many Chinese companies receive subsidies from the Chinese state, according to a <u>report</u> by the Kiel Institute for the World Economy.

This is why we are writing to you today. We urge you to use all instruments to put Temu and Shein under scrutiny. Now is the time to show that the EU enforces its laws for the sake of democracy and for the sake of fair competition for everyone on our market.

Kind regards and thank you very much for taking our concerns into consideration,

Max Bank and Felix Duffy, LobbyControl