

The Consumer Voice in Europe

# Single Market Strategy 2025

BEUC response to the public consultation



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# Why it matters to consumers

The Single Market is one of greatest achievements of the Union. It brings increased choice of goods and services and better value for money to 449 million consumers in the EU. However, consumers are also facing challenges to fully benefit from it when barriers are artificially raised to protect domestic markets or companies engage in illegal practices across the borders, including misleading green claims and online dark patterns. They are also facing a massive influx of imported products that breach EU law. Consumers deserve their rights to be respected and to benefit from a truly competitive Single Market.

## Removing barriers for consumers in the Single Market

The Single Market is a vehicle to enhance people's well-being and enable the digital and green transitions. To fully reach the potential of its Single Market, the EU needs to remove the remaining barriers consumers face.

### Key initiatives to take:

#### • Food:

- Tackle Territorial Supply Constraints (TSCs) which artificially fragment the Single Market, thereby preventing consumers from reaping the benefits thereof (in terms of price and choice of products).
- The Strategic Dialogue on the Future of Agriculture in the EU highlighted the need for demand-side policies to ensure the healthy and sustainable food choice becomes the easy and affordable one a long-standing demand by BEUC¹. It also recognised and called for supporting the trend towards more plant-rich diets. In a Single Market, the EU must play a leading role in making progress towards these goals. Should it fail to do so, we see a risk of ending up with an uneven level of consumer empowerment and protection of their interests in the food area at best, or a political standstill at worst (as Member States are reluctant to say, enact new labelling requirements which can be challenged as barriers to the Single Market). Thus, we call on the European Commission to:
  - ▶ Publish the revision of the EU legislation on food information to consumers (front-of-pack nutrition labelling, alcohol labelling, origin labelling) and the proposal setting nutrient profiles.²

<sup>&</sup>lt;sup>1</sup> BEUC (2022). Sustainable food made easy.

<sup>&</sup>lt;sup>2</sup> BEUC (2022). Revision on EU legislation on food information to consumers.



- ► Introduce legislation to regulate unhealthy food marketing to children at EU level.<sup>3</sup>
- Drawing inspiration from Denmark, present an EU Action Plan for Plant-Based Foods to promote easy, attractive and affordable access to plant-rich diets for all EU consumers.
- ▶ Publish the revision of the EU legislation on animal welfare to heed the call of citizens across the Single Market for improved farmed animal welfare in the EU.⁴
- Health: Ensure that the revised pharmaceutical legislation strengthens the marketing
  authorisation framework and enables consumers to be more informed on the added
  therapeutic value of new treatments. Likewise, introduce in the legislation measures that
  improve meaningfully medicines affordability and availability. Make supply chains more
  diversified and robust through the Critical Medicines Act.
- **Energy**: Improve electricity interconnections and enable cross-border access to contracts on the supply of energy.
- Enable consumers to **travel** across Europe: Boost intra EU-rail and improve cross border protection in multi-modal transport.
- Empower consumers to easily exercise their passenger rights: consumers should always be able to lodge a complaint to their national authority (National Enforcement Body) depending the mode of transport. The latest should be the only contact point of consumers (one-stop-shop). It should then, be up to the authority to liaise with the counterparts. National Enforcement Bodies should be granted with harmonized investigation and enforcement powers, be able to deal with individual complaints and deterrent fines should be defined in the Passenger Rights Regulations (percentage of traders turn over).
- Empower consumers to benefit from **services**: put an end to geo-blocking of audiovisual content and improving electricity interconnections.
- Regarding telecoms, consumers should be able to have access to cross-border contracts. Moreover, what consumer need is the end of expensive intra-EU communication charges before 2029. What they do not need, is to end up like consumers in the United States, where the sector is more concentrated among few players. Relaxing mergers rules and deregulate the telecoms markets to benefit bigger players in the EU would lead to higher prices and less consumer choice. The future of the Single Market should not mean less barriers for companies but more obstacles for consumers. The future of the Single Market requires the achievement of a full Single Market for telecommunications where consumers, not just companies, can finally enjoy their telecoms services without knowing any borders.

<sup>&</sup>lt;sup>3</sup> BEUC (2021). <u>Food marketing to children needs rules with teeth</u>.

<sup>&</sup>lt;sup>4</sup> BEUC (2024). <u>Farm animal welfare: what consumers want.</u> A survey of Europeans' understanding and expectations.



## Consumer protection as a vector of competitiveness

Strong protections for consumers will incentivise companies to be more competitive. This is how the EU will thrive in this new geopolitical context. Boosting sales of electric cars and heat pumps is a step in the right direction and will be a good basis for the Clean Industrial Deal. We encourage the Commission to expand the focus on the demand side, by correcting taxation and price signals.

## Key initiatives to take:

- **EU-wide electrification mandate for large corporate fleets**: it will fast-track access to electric vehicles for second-hand buyers.
- Financing options for households. The revenues from the Emissions Trading Scheme 2 should entirely flow back to consumers as lump sum payments, electric car social leasing schemes, incentives for housing retrofit or building of public and active transport infrastructure.
- Revise REACH to enable a competitive internal market for secondary raw materials: The circular economy will only succeed if consumers trust that products made from recycled materials are safe. A scandal, such as a toxic substance recycled into food packaging or a toy, could both create unacceptable health risks and do tremendous damage to consumer confidence in the circular economy. An ambitious REACH revision should therefore ensure better upstream chemicals management including by enabling faster, preventive action against harmful chemicals such as PFAS before they become widespread in consumer products. This will not only improve consumer protection and drive innovation in safer alternatives, but also represents a practical and efficient solution to create market demand for safe and high quality secondary raw materials. In support, the REACH revision must ensure stronger controls on imports and on online sales to level the playing field for products produced in the EU.

## **Enforcement of EU law as a Single Market priority**

BEUC members have been testing products sold online by major online marketplaces, both foreign and European ones. In one test of 250 products, they revealed that two thirds breached the EU product safety law. Their most recent tests on products sold on marketplaces such as Temu and Shein uncovered clear infringements of EU product safety and chemical regulations. If Europe wants to be more competitive, it needs to fully enforce its laws and take action in case of infringements.



## Initiatives to take:

- Revision of the Consumer Protection Cooperation network regulation: EU-wide infringements on EU law calls for an EU-wide response, hence the need for greater centralisation of consumer law enforcement for certain cases.
- **Customs reform**: Support the inclusion of dissuasive sanctions during the trialogues, to ensure that third country traders respect EU law and export products in line with European rules.

## Simplification should not mean less protection

Digital labelling has been touted as a solution to tackle Territorial Supply Constraints (TSCs) – as companies can take advantage of the EU requirement that a label must be available in a European (national) language to artificially fragment the Single Market instead of using multilanguage labels for instance, or relabelling products. Yet, there are clear risks that **moving some essential information online** (as opposed to established channels of product information such as the label for foods and cosmetics, or the package leaflet for medicines) **could undermine the protection of consumer interests and their ability to make informed choices**. Information that is essential to consumer health, rights, and interests must stay on product labels as it ensures easy access to information both at the point of sale as well as after purchase – without the use of additional devices or internet connectivity. Whilst digital information could be of added value to some consumers, it is not an option for everyone. As such, digital information should only be introduced as a complementary tool, but cannot become the only source of information.<sup>5</sup>

Consumers need to be able to trust that the Single Market protects their rights. Protecting their personal data, privacy and preventing unfair use of artificial intelligence is a vector of competitiveness, not an obstacle. The EU should keep working to improve the implementation and enforcement of the EU digital rulebook, including the General Data Protection Regulation (GDPR) and the AI Act.

When it comes to financial services, sustainability reporting is important so that consumers can generate a positive impact with their financial investments. Simplification should be achieved by addressing double-reporting and by a smooth reporting process.

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<sup>&</sup>lt;sup>5</sup> BEUC (2021). Why moving essential product information online is a no-go.



## **A coherent Competitiveness Fund**

To ensure coherence between the European Competitiveness Fund and State aids, the Commission should explore the possibility of conditionalities. Indeed, some economic operators are calling on the EU to protect them from foreign competition and provide more public support. But this support needs to benefit society as a whole.

#### Initiative to take:

State aid should be conditioned to access and affordability criteria. For example, in the pharmaceutical sector consumers face medicines shortages and increased prices. The same goes for electric cars: manufacturers' failure to meet the consumer demand for smaller and more affordable vehicles is slowing down the transition. Should companies receive State aid, conditions should be foreseen to better address consumer needs.

## The external dimension of the Single Market

The EU will have to adapt to the next US administration and potential tariffs. It will also adopt a new economic security doctrine to address China's practices. Any EU retaliation through increased tariffs could harm consumers' prices and choices, especially if tariffs target products consumers need for the green transition. While ensuring fair competition from third country producers (notably in the food and agriculture sector), we count on you to carefully assess the impact of trade defence measures on consumers.

The EU must rethink its trade policy to avoid creating future barriers in the Single Market, that could slow down its competitiveness on the global scale. EU law needs to comply with international law, including rules agreed with third countries in trade agreements. Recent trade agreements include new rules related to digital and technology. For example, the EU agreed with Singapore which authorities can have access to source code of software and under which conditions. This will make it very complicated for authorities to enforce laws such as the AI act, and therefore could limit the EU's ability to ensure a level playing field with its rivals.

Moreover, trade agreements should focus more on access to raw materials, heat pumps and smart thermometers, rather than over promoting imports of less sustainable products such as meat and dairy as they clash with the objectives of the Green Deal.