Europe needs a Product Act that makes it easier, not harder to do business in Europe.

Dear Executive Vice-President, Mr Stéphane Séjourné,
Dear Executive Vice-President, Ms Henna Virkkunen,
Dear Commissioner, Mr Valdis Dombrovskis,
Dear Commissioner, Mr Michael McGrath,

We are the businesses that make up Europe's online and offline economy: sellers and artisans, start-ups, micro, small and medium-sized enterprises and solopreneurs, couriers and postal operators, refurbishers, marketplaces, and the associations that represent them. In recent years, we have worked constructively with EU institutions to implement strong consumer and product-safety protections. We share the objective of keeping unsafe and non-compliant products off the market while ensuring the European Single Market and its businesses remain competitive. However, the current direction of travel of the Product Act will not get us there.

This Commission has made simplification its north star: reducing burdens and avoiding new layers of rules where existing frameworks already work. We believe the Product Act can deliver on this agenda, but as currently framed it risks running counter to it in three ways.

- **It risks duplicating, rather than streamlining.** A new regime on top of the Digital Services Act, the General Product Safety Regulation, the Ecodesign Regulation, the Packaging and Packaging Waste Regulation, the Unfair Commercial Practices Directive, the Product Liability Directive and the new Union Customs Code. Many of these recent frameworks are not yet fully implemented, making it impossible to effectively measure their impact. This is the duplicative layering of rules that the Commission's own simplification agenda is meant to prevent. The Product Act should instead drive smarter enforcement through structured cooperation among national and EU authorities, domestically and cross-border.
- **It risks creating legal confusion.** Overlapping obligations, undefined duties, liability that shifts unpredictably along the supply chain rather than following each actors' actual role. This is the case for manufacturers, carriers, retailers and marketplaces alike. Uncertainty, fragmentation, and, once again, new red tape that makes it harder for European businesses, startups, and SMEs to access, succeed and compete.
- **It risks repeating a costly regulatory mistake.** The recent rollout of the packaging rules demonstrated how well-intentioned but poorly sequenced rules can devastate cross-border trade. Thousands of small shops and creative businesses - often reliant on these sales as a primary source of income - stopped selling across the Single Market as a result. Their businesses suffered. Consumers were left with fewer choices and alternatives to mass-produced goods. The Product Act risks following the same path for every product sold online.

If this direction is maintained, the consequences are foreseeable. Fewer sellers in Europe, many of whom are microbusinesses. Higher prices and less choice for consumers. Fewer second-hand, refurbished, handmade, and unique goods. Sunk cost and stranded investments for shippers and postal operators who have spent years preparing for the new ecodesign, packaging or customs regime. Fewer marketplaces would remain available to European SMEs, as many operators would find the new liability regime difficult, if not impossible, to comply with, leaving less room to innovate. Start-ups will scale elsewhere. Nobody in the chain wins. This is not what a functioning, competitive Single Market should look like.

Our ask is simple: ensure the Product Act makes it easier, not harder, to do business in Europe, without lowering EU standards. Make it easy for sellers to sell, for shippers to ship, for start-ups to scale, and for consumers to choose. We urge the Commission to test the Product Act against its own simplification commitments and build on the rules already in force, instead of adding a layer on top. A Product Act that works is one where everyone in the chain wins. As it is right now, nobody does.

We stand ready to work with your services and request a meeting to discuss how these principles can be better reflected in the Product Act.

Yours sincerely,

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