



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR COMPETITION
Foreign Subsidies

Brussels, 1 April 2025

LobbyControl
Am Justizzentrum 7,
D 50939 Köln

To the attention of (via email):

Mr Max BANK
Researcher & Campaigner
m.bank@lobbycontrol.de

Mr Felix DUFFY
Researcher & Campaigner
felix.duffy@lobbycontrol.de

Subject: Response to the letter addressed to the Executive Vice-President for a Clean, Just and Competitive Transition, Ribera, ‘Action needed on Temu and Shein’

Dear Mr Bank and Mr Duffy,

On behalf of the Executive Vice-President Ribera, we would like to thank you for your letter dated 31 January 2025 in which you outline your concerns regarding the operation of large e-commerce platforms, Temu and Shein. With your letter, you describe practices employed by those platforms which may undermine consumer protection. As further explained, you underline that those platforms may receive subsidies from the Chinese state thereby causing distortion in the internal market. To substantiate your view, you provided us with a report by the Kiel Institute for the World Economy, for which we also thank you.

Having acknowledged the prominent role of large online platforms in shaping the EU’s digital future, the EU has prioritised the need for a legal intervention to ensure the proper functioning of the single market. To this effect, the adoption of the Digital Services Act and the Digital Markets Act sets a comprehensive response to address the challenges posed by the emergence of large online platforms. The Commission has already launched investigative actions in relation to Shein, while, as you also note, it has formally initiated

proceedings against Temu. ⁽¹⁾ The need to tackle these challenges is as well recognised by the new Commission, who prioritises the need to ‘*intensify our enforcement*’ of the adopted digital legislation. ⁽²⁾ As recognised in a Communication the Commission very recently published ⁽³⁾, enforcement of EU actions can be more effective through coordination.

With regard to your allegations about foreign subsidies granted to Temu and Shein, the Commission has several instruments at its disposal to address distortions in the internal market caused by foreign subsidies. Those instruments include Regulation (EU) 2016/1037 on protection against subsidised imports from non-EU countries ⁽⁴⁾, as well as the more recent Regulation (EU) 2022/2560 on foreign subsidies distorting the internal market (or ‘FSR’). ⁽⁵⁾

As the Directorate responsible for the enforcement of the FSR, we are entrusted with the application of this Regulation to ensure a level playing field throughout the internal market. The FSR empowers the Commission ‘*to examine any foreign subsidy, to the extent it is in the scope of this Regulation, in any sector of the economy on its own initiative, relying thereby on information from all available sources*’. To achieve those objectives, the Commission is allowed to start an ex-officio investigation or to ‘call-in’ a concentration to explore suspicions of foreign subsidies.

In this regard, we would like to ensure you that our teams are pro-actively and on a regular basis monitoring potential anti-competitive practices of economic operators in the single market resulting from foreign subsidies. To this end, we take due account of any information brought to our attention. Should the Commission proceed to any action under the FSR, and the result lead to an outcome that merits further investigation, the decision will be published as prescribed in Article 10(3) of the FSR.

Yours sincerely,

(Electronically signed)

Glykeria DEMATAKI
Head of Unit

c.c.: Leonardo MOSCA, Panagiota BAROUNI

⁽¹⁾ <https://digital-strategy.ec.europa.eu/en/news/commission-opens-formal-proceedings-against-temu-under-digital-services-act>. This investigation was complemented by a coordinated action under the Consumer Protection Network.

⁽²⁾ [Europe’s Political Guidelines for the European Commission 2024-2029](#)

⁽³⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0037>

⁽⁴⁾ OJ L 176, 30.6.2016, ELI: <http://data.europa.eu/eli/reg/2016/1037/oj>

⁽⁵⁾ OJ L 330, 23.12.2022, ELI: <http://data.europa.eu/eli/reg/2022/2560/oj>