

MARKET SURVEILLANCE and COMPLIANCE OF
PRODUCTSMarket surveillance and compliance of products – evaluation and possible revision of Regulation (EU) 2019/1020

In a context of international trade marked by structural imbalances and an intensification of unfair practices, the protection of European industry can no longer rely solely on reactive instruments. The trade war initiated by the United States has recently reinforced China's aggressive export strategy, while US tariffs on Chinese products have led to a partial redirection of these flows towards the European market. In the summer of 2025, Chinese exports to the European Union (EU) increased by nearly 10%, according to foreign trade data published by the Chinese Customs authorities, thereby intensifying pressure on European industries. In the face of repeated trade shocks, **strengthening market surveillance¹ must become the first pillar of European trade defence**, the two other pillars being trade defence instruments and safeguard measures. **Together, these three pillars pursue the same objective: ensuring fair competition within the EU.**

Market surveillance is structured around two complementary axes: **the monitoring of trade flows and the control of the compliance of products placed on the market. Trade flow monitoring must be commensurate with the new realities of international trade.** Without fine-grained, responsive and forward-looking monitoring, trade defence instruments cannot be activated in a timely manner. Trade flow monitoring is therefore not merely one tool among others, but a prerequisite for any robust industrial policy. Moreover, current trade flow monitoring remains insufficient to address contemporary challenges, in particular the exponential growth of e-commerce through online platforms and small-parcel imports, which today constitute one of the main entry points into the EU for non-compliant products.

Monitoring limited to trade flows alone, without strengthened operational capacity to control imported products, is not sufficient to respond to these new market realities. It must therefore be complemented by effective controls of the compliance of products placed on the European market. In other words, **the identification of imbalances through trade flow monitoring must be followed by compliance controls on the associated products, in order to ensure the effective and fair enforcement of EU law.**

France Industrie, the representative professional organisation of industry in France, brings together around thirty industrial sector federations and some fifty large private and public companies operating across all industrial sectors.

In the context of the Commission's consultation on the evaluation of Regulation (EU) 2019/1020 on market surveillance, France Industrie calls for:

- **Better articulation between trade flow monitoring and product compliance controls, while making import surveillance a priority:** in a context of limited resources, controls should be more strongly focused on products imported from third countries, which present a higher risk of non-compliance, rather than on products manufactured within the Union.
- **Continuing the harmonisation of national practices and legislation in the field of market surveillance**, in order to ensure uniform application of the rules across the internal market and to avoid disparities in enforcement between Member States.
- **Preserving the obligation to designate an economic operator responsible in the EU:** any regulatory simplification must preserve the requirement to designate an economic operator established within the Union, which is a key condition for the effectiveness of market surveillance.

¹ Under Regulation (EU) 2019/1020, market surveillance refers to the activities carried out and measures taken by authorities to ensure that products comply with the requirements laid down in the applicable Union harmonisation legislation and that they protect the public interests covered by that legislation.

Furthermore, consideration should be given to strengthening product information and labelling requirements, in particular through clear marking of the origin of products imported from third countries, in order to facilitate controls, improve traceability and enhance the effectiveness of market surveillance. Such reinforcement should not result in an additional administrative burden for European companies.

While strengthening product controls and compliance constitutes an essential lever for protecting the internal market, these issues cannot be dissociated from a broader reflection on the evolution of the Union's trade defence instruments. Recent transformations of the European trade policy framework demonstrate that **a new approach to market surveillance is not only necessary, but also politically feasible.**

In this respect, the bilateral safeguard clause included in the EU-Mercosur agreement is based on simple, objective and quantifiable thresholds, allowing for a rapid response in the event of market disruption. For sensitive agricultural products, a price undercutting of 8%, combined either with an 8% increase in import volumes compared to the three-year average or with an 8% decrease in import prices, is in principle sufficient to justify the opening of an investigation. This mechanism therefore establishes a direct link between trade flow monitoring and the activation of trade defence instruments, relying on clear triggers. **Such a market surveillance logic should now inspire the Union's broader trade defence policy,** particularly in the face of massive distortions linked to industrial overcapacities in certain trading partners.

France Industrie therefore also calls for:

- **Proceeding with a targeted redeployment of human and financial resources within the European Commission devoted to market surveillance, product compliance controls and the implementation of trade defence instruments,** in order to make this integrated approach fully operational.
- **Modernising the trade flow monitoring instrument** by strengthening the surveillance of products under strong competitive pressure, introducing targeted monitoring of specific countries, and adapting the Commission's tool to ensure greater procedural automaticity and rapid implementation. This monitoring, upstream of any potential safeguard measures, should be **more systematically coordinated with sectoral federations.** It could also rely on **alerts issued by EU agencies or regulatory bodies** when they identify atypical developments in the origin of cases, foreshadowing similar changes in the origin of products.
- **Providing the Commission with a genuine capacity to initiate proceedings ex officio,** including with regard to finished products (e.g. electric vehicles in 2024), and not only raw materials or components. Despite the existence of a trade flow monitoring tool, ex officio initiation by the Commission would help avoid placing the burden on SMEs and professional federations to launch **such procedures themselves, which are often costly and complex.**