Cosmetics Europe's contribution to the call for evidence on the Single Market Strategy 2025

Cosmetics Europe is the association representing the cosmetics and personal care industry in Europe. Our membership includes 29 national associations from EU/EEA countries, 30 multinationals, and a network of more than 9000 SMEs, for a market value of €96 billion. For more than 60 years, Cosmetics Europe has been the authoritative voice of the cosmetics and personal care industry in Europe.

1. Introduction

Cosmetics Europe agrees with both Enrico Letta[1] and Mario Draghi's[2] reports when they stress the importance of the Single Market as a catalyst for the growth of the European industrial base and its competitiveness of the global stage. EU's major competitors, the US and China, and emerging economies like India, benefit from continental-scale harmonised domestic markets that drive scale and competitiveness. In contrast, differing interpretations, implementation and enforcement of rules within the Single Market hinder companies from fully exploiting the Single Market's full potential, losing competitiveness to foreign competitors. In 2023, the EU lost its leading position in the global cosmetics market to the US for the first time in several years. Single Market barriers affect large companies and SMEs alike, with the latter disproportionately struggling to benefit from the economies of scale that the Single Market can potentially offer, limiting their growth and scale-up opportunities.

A coherent, harmonised Single Market framework is not only a cornerstone for Europe's economic growth and the global competitiveness of the EU cosmetics industry, but also a precondition for the EU to maintain its role as a global promoter of sustainability and a social market economy. Against this background, we highly appreciate that in her Mission Letter to EVP Stéphane Séjourné, President Von der Leyen suggests the development of the Single Market Strategy, including a Single Market Barriers Prevention Act, and that the Competitiveness Compass identifies the strategy as a key horizontal measure to "help competitiveness is all its dimensions."[3]

To fully leverage the untapped potential of the Single Market to contribute to the EU competitiveness objectives, Cosmetics Europe suggests that the Single Market Strategy should address at least the following areas: ensure regulatory coherence, address cross-border market barriers, improve recognition of qualifications, avoid overlaps/conflicts between horizontal and sectoral regulations, embed the SME perspective, and guarantee effective harmonised enforcement of the EU law.

[1] E. Letta, "*Much more than a market – Empowering the Single Market to deliver a sustainable future and prosperity for all Eu citizens"*, April 2024.
[2] M. Draghi, *The future of European competitiveness*, September 2024.
[3] Competitiveness Compass, COM(2025) 30.

At the end of the document, we illustrate the current weaknesses of the EU Single Market with a list of market barriers for cosmetic products, as currently identified by Cosmetics Europe and its members.

2. Regulatory coherence

Ensuring consistent interpretation and implementation of EU rules to prevent regulatory divergences is essential to fully exploit the Single Market's potential for the cosmetic industry. Enrico Letta suggests in his report that shifting from directives to regulations is a powerful tool to harmonize the regulatory framework across the entire Single Market. In fact, inconsistent interpretation of EU directives across Member States and related national compliance mechanisms can lead to significant divergences in the implementation of EU rules and an overall complex patchwork of national frameworks to navigate. For instance, the recently adopted Urban Wastewater Treatment Directive EU 2024/3019 (UWWTD) introduces national Extended Producer Responsibility (EPR) schemes for pharma and cosmetics companies to finance the upgrading of urban wastewater treatment facilities across the EU. However, the lack of clarity on the scope of the directive (e.g., which micropollutants are covered) will lead to an inconsistent implementation of EPR schemes across Member States and leaving producers unable to unequivocally identify which substances need to be replaced. Clarity of level one legislation is fundamental to minimise the risk of divergent interpretation and implementation at the national level.

Shifting from directives to regulations alone is not the silver bullet to ensure the correct functioning of the Single Market. For instance, under the Packaging and Packaging Waste Regulation (EU) 2025/40 (PPWR), Member States may still be able to adopt national sustainability and labelling requirements for packaging. However, they will not be able to prohibit the placing on the market of packaging that only fulfils the PPWR requirements. This creates at the same time fragmented national rules and uncertainty about the implementation and enforcement of both national and EU requirements, slowing down and complicating cross-border business operations and development.

Another example is the 2024 revision of the Classification, Labelling and Packaging of chemicals Regulation EC) No 1272/2008 (CLP). The CLP mandates an increase in font size on packaging for certain products, limiting the available space for multiple languages on labels, and therefore, restricting the number of markets where products can be placed. The prohibitive cost of creating additional SKUs for smaller markets may prevent companies from offering products in those regions. Additionally, the CLP's increased information requirements lead to larger labels and, in some cases, bigger packaging, conflicting with the PPWR's goals of waste prevention and reduction through the minimisation of packaging volumes. In this case, the PPWR represents a positive example of coherence across legislation, since Article 12 allows the digitalisation of certain information when the packaging is not fit – by size or nature - to display on-pack information.

To ensure regulatory coherence, the Single Market Strategy should:

- Encourage the **use of regulations instead of directives whenever possible**.
- Incorporate a **competitiveness check** for new legislation
- Introduce instruments **encouraging Member States to standardise the interpretation of EU directives** e.g., multistakeholder dialogue between Commission, Member States, and industry associations.

- Introduce a **Single Market test** accompanying the adoption of any new EU legislative proposal.
- **Streamlining a shared understanding of the Single Market principles** across all Commission Services, Council formations, and relevant parliamentary committees.

3. Addressing national barriers and harmonisation of rules

Barriers to the movement of goods along national borders thwart the economic growth of companies and the overall EU productivity and contradict the EU sustainability objectives. Examples for these barriers are labelling requirements in France and Spain for Packaging. France mandates to place the Triman logo[4] and sorting instructions on-pack on all packaging placed on the French market. Similarly, according to the Spanish law, household packaging shall bear country-specific sorting instructions as of January 2025.[5] This type of national barrier violates Articles 34 to 36 of the Treaty on the Functioning of the EU by hindering the free movement of products across Member States and forcing companies to create multiple production, packaging, and labelling lines for different national markets within the EU. This has several negative impacts. For example, custom packaging for the Spanish market would increase procurement costs by 40%, reduce factory productivity by about 500 hours annually, and require additional storage space and component stock. Adapting a product to national requirements can result in a one-off cost of several million euros for a single company, even before ongoing costs for separate production. Consequently, a company might choose not to enter a Member State's market, losing potential revenue and limiting consumer choice. Additionally, adapting products to different national measures and setting up separate production lines complicates supply chain management, increases energy consumption and emissions, and leads to inefficient use of resources and materials. Finally, the inability to redirect products to other Member States can cause unnecessary product scrappage and additional waste.

Another example from Spain is the Spanish Accessible Labelling regulation proposal. It requires Braille language on packaging to ensure fair access to information for people with disabilities. While the intention is commendable, adopting this measure at the national level risks disrupting market harmonization across the EU by creating additional barriers to cross-border trade, reducing the competitiveness of companies operating in Spain, particularly small and medium-sized enterprises (SMEs), and increasing retail price.

The adoption of harmonised legislation is also helpful in preventing further fragmentation in areas not yet regulated at the EU level, as in the case of unauthorised sales, i.e. sales by an economic operator who is not authorised to sell the branded products within tailored distribution networks (e.g. selective and exclusive distribution, franchising, consumer sales ('D2C'), etc.). Unauthorised sales may put consumers at risk by failing to meet correct handling, storage and safety. They also impact the competitiveness of legitimate businesses by damaging the reputation and image of brands, or as unauthorised sellers profit unfairly from the investments made by brands and authorised distributors. Ultimately, they may even contribute to the decline of physical retail shops,

[4] Décret n° 2014-1577 du 23 décembre 2014 relatif à la signalétique commune des produits recyclables qui relèvent d'une consigne de tri.
[5] Real Decreto 1055/2022, de 27 de diciembre, de envases y residuos de envases.

further undermining local economies, reducing tax revenues for EU governments and affecting jobs and competitiveness.

Even in countries with robust national enforcement mechanisms, tackling cross-border sales effectively may prove challenging due to the absence of a cohesive European framework. A harmonised EU approach e.g., by extending the scope of the Unfair Trading Practice Directive or by addressing unauthorised sales in the Unfair Commercial Practices Directive, would preserve our competitiveness and fully reap the benefits of the Single Market.

The Competitiveness Compass highlights not only the need to remove intra-EU barriers, but also "preventing the creation of new ones." Existing mechanisms like SOLVIT, the TRIS notification system, the portal for complaints on violations of the EU law, infringement procedures are all valuable tools to address these issues. However, they are not always the most efficient solutions since they may take long period of time (even years) to address market barriers. Moreover, besides being reactive by nature, these instruments are usually used on a "single-issue" basis and might not be able to fully unlock the untapped potential of the Single Market.

To address these issues, the Single Market Strategy should adopt a more proactive and multi-stakeholder approach, starting by:

- Conducting **regular reviews of Member States' compliance with Single Market Rules**.
- Establishing **sector-specific dialogues and task forces in cooperation with industry stakeholders** (e.g. updating the Single Market Enforcement Task Force SME) to identify regulatory obstacles and develop solutions to address them in a holistic way.
- **Strengthen the European Commission's market vigilance tools** e.g., by enforcing the standstill periods by Member States in the TRIS notification process and extending the process to the final draft of the national legislation after it has gone through the national legislative procedure.
- Empowering the **European Commission to act more swiftly and firmly** to ensure a coherent interpretation and implementation of the EU law.

4. Recognition of qualifications

Barriers also occur in the recognition of qualifications. Under the Cosmetics Products Regulation (CPR),[6] cosmetic products must undergo a safety assessment performed by a person having formal qualifications of a university course of theoretical and practical study in pharmacy, toxicology, medicine or a similar discipline, or a course recognised as equivalent by a Member State. However, it can happen that national authorities may not accept safety assessments made by an assessor whose credentials are accepted in another Member State. This creates the need to perform an additional safety assessment with a different, recognised assessor, entailing additional costs and delays in placing the product on the market.

To address this type of barrier, the Single Market Strategy should:

[6] Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products.

- **Map existing cases of non-recognition of qualifications** in collaboration with the industry and education systems.
- **Introduce an effective mutual recognition framework for professional qualifications**, including a rapid reaction mechanism to assess cases of non-recognition.

5. The SME perspective

SMEs struggle with complex paperwork and compliance processes due to limited human and financial resources. They are also more disproportionately affected by Single Market barriers because they often lack the means to understand and face varying national rules and interpretations of the EU law.

In the spirit of simplification embraced by the European Commission, the Single Market Strategy should:

- Encourage the **adoption of simplified requirements and verification mechanisms for SMEs** to ensure compliance.
- Provide **dedicated easy-to-access services** (e.g. Helpdesk for Single Market Compliance)
- **Exploit the full potential of digitalisation to reduce administrative burdens** and speed up procedures and facilitate businesses' digitalisation.[7]

6. Effective harmonised enforcement

The fragmentation of market oversight mechanisms reduces the efficiency of enforcement. This situation is worsened by the lack of coordination among national authorities and with the European Commission. Poor enforcement can further jeopardise the position of virtuous EU economic operators investing and internalising the costs of more sustainable products and production process vis à vis free riders. For instance, infringement procedure must be effectively pursued when a Member State fails to adopt corrective measures. In the case of the Triman logo, the Commission sent a reasoned opinion to France in November 2024, almost three years and a half after the first TRIS notification by the French government in June 2020.

To address these issues, the Single Market Strategy should **foster collaboration and encourage data-sharing among national competent authorities**, with the European Commission acting as a coordinator.

[7] As also noted in the Annual Single Market and Competitiveness Report 2025.

List of national provisions affecting the Single Market for cosmetic and personal care products

This list is indicative and not exhaustive of all the market barriers encountered by the cosmetics industry. It represents the provisional findings of an ongoing and continuous analysis of market barriers impacting the cosmetics industry within the EU Single Market.

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
DE	N/A	N/A			Labelling/marking	German control authorities are considering the EU Commission Recommendation 2006/647/EC as mandatory. In case of missing phrases – even individual ones, companies are urged to add them on the packaging of their products.
ES	Royal decree 1055/2022 of 27 December on packaging and packaging waste	Link to national provision	Physical marking of packaging waste sorting instructions	Directive 94/62/EC of 20 December 1994 on packaging and packaging waste	Labelling/marking	Producers must affix a physical marking providing waste sorting instructions to consumers. The law does not provide a harmonised symbol at national level. The imposition of national-specific labelling requirements undermines the principle of free movement of goods, can lead to counterproductive environmental effects, and financial burden on economic operators. The measure can also lead to increased material needs for additional labelling/repackaging/separate packaging executions, and additional waste produced due to: larger than necessary sizes of the packaging; the repackaging of products in case they need to be redirected in or from the

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
						Spanish market; the potential withdrawal of packaged products from the market. Moreover: - It would force the creation of different manufacturing processes for the Spanish market and the rest of the European markets. - It would require the purchase, storage, and management of different packaging materials, different production batches, with all the traceability controls and logistics for products intended for different markets. - The cost efficiency from large volume purchases that can go to any destination in the EU would be lost, as they would have to buy only for Spain. Estimating the necessary stock for a single market would be much more complex, increasing the risk of generating unsold products, making it much more complicated. - It puts the efficiency of factories located in Spain at risk, as multinational companies might choose to segment and leave Spain as a manufacturer only for the local Iberian market, moving production for the rest to other countries to avoid confusion. In contrast, purely Spanish companies would have no choice but to separate manufacturing within the same plant for the two productions. - If the circulation of products leads to items marked for other markets entering a market, there is a risk of sanctions. The measure must be implemented as of January 2025.

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
ES	Royal decree project on accesible labelling for consumer goods	Link to national provision	Physical marking of packaging in Braille for Consumer Goods	Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services	Labelling/marking	The imposition of national specific Braille labelling for certain consumer goods, including cosmetics packaging, will have direct impact on the Single Market and barriers to trade: (i) It constitutes a barrier to entry: the investment required for new industrial companies, both in products and packaging, wishing to operate in the Spanish market will increase significantly, creating a barrier to entry for new companies, which will reduce their establishment. (ii) It decreases the competitiveness of companies: it represents a new economic burden for the industry, which will imply that companies become less competitive due to the increase in production costs. (iii) It has a direct impact on consumer prices: the aforementioned will mean that the new burdens on companies that cannot absorb these costs will have to be passed on to selling prices, negatively affecting consumers' access to essential products for their daily consumption."
FR	N/A	N/A	Safety assessment of products	Cosmetics Products Regulation (EC) Nò 1223/2009	Ingredients	National authorities not accepting safety assessments completed by a safety assessor whose credentials are acceptable in Ireland. This creates the need to perform additional safety assessment with a different, recognised assessor, entailing additional costs and

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
						delayed placement of the product on the market.
FR	French Decree No. 2014-1577 on the common labelling of recyclable products subject to sorting instructions	Link to national provision	Triman logo providing physical packaging waste sorting instrurction	Directive 94/62/EC of 20 December 1994 on packaging and packaging waste	Labelling/marking	Producers must affix a physical marking providing waste sorting instructions to consumers. As of January 2022, the Triman Logo must be directly on product or packaging The imposition of national-specific labelling requirements undermines the principle of free movement of goods, can lead to counterproductive environmental effects, and financial burden on economic operators. The measure can also lead to increased material needs for additional labelling/repackaging/separate packaging executions, and additional waste produced due to: larger than necessary sizes of the packaging; the repackaging of products in case they need to be redirected in the French market; the potential withdrawal of packaged products from the market.
IT	Legislative decree of 03/09/2020 n. 116 transposing Directive (EU) 2018/851 on packaging and packaging waste	Link to national provision	Identification and classification of packaging materials	Directive 94/62/EC of 20 December 1994 on packaging and packaging waste Decision 97/129/EC establishing the identification system for packaging materials	Labelling/marking	Producers must identify and classify packaging materials and mark the packaging accordingly, following the system laid down in Decision 97/129/CE and integrated by norms developed by the Italian Standardisation Body UNI. The imposition of national-specific labelling requirements undermines the principle of free movement of goods, can lead to counterproductive environmental effects, and financial burden on economic operators. The

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
IT	Italian decree N° 360 of 20/09/2022 on the labeling of packaging materials	Link to national provision	Physical marking to identiy the packaging materials	Directive 94/62/EC of 20 December 1994 on packaging and packaging waste Directive (UE) 2015/1535	Labeling / marking	measure can also lead to increased material needs for additional labelling/repackaging/separate packaging executions, and additional waste produced due to: larger than necessary sizes of the packaging; the repackaging of products in case they need to be redirected in the Italian market; the potential withdrawal of packaged products from the market.
IT	Annual law for the market and competition 2023 - Art.23 "Provisions on the re-portioning of pre-packaged products, so-called shrinkflation "	Link to national provision	Physical marking to warn consumers on cases of shrinkflation.		Labelling	As of 1 April 2025, products in scope must be labelled with the following sentence in Italian language: "Questa confezione contiene un prodotto inferiore di X (unità di misura) rispetto alla precedente quantità" *[“This package contains a product less than X (unit of measurement) compared to the previous quantity)]*. The measure is aimed at combating the “shrinkflation” phenomenon, that is to say the deduction of the nominal quantity and a related increase in the price per unit of measurement dependent on them. The European Commission adopted a detailed opinion (C(2024) 8987) stating that the proposed measure does not seem proportionate to ensure the objective pursue and that other less restrictive measures for trade between Member States could be available to ensure transparency for consumers.
PL		Link to national provision	Physical marking to identify the packaging materials (voluntary)	Decision 97/129/EC establishing the identification system for packaging materials	Labelling/marking	Only certain member states require such labelling

Country	Law	Link to national provision	Measure	Relevant EU law	Topic	Single Market issue
Cross-country	N/A	N/A	Substance concentration in products	Cosmetics Products Regulation (EC) Nò 1223/2009	Ingredients	National "unilateral" provisions on the use of ingredients based on safety risks. Such measures are usually dealt with judicially through the ECJ but the legal procedure can take several years and even in case of a positive ruling by the ECJ, the impact on consumer perception can cause damage to the industry and products.
Cross-country	N/A	N/A	Language of on-pack information		Labelling/marking	It is not always clear what language is considered acceptable in some national markets. Sometimes companies use the English product name when they consider that it is generic enough to be understood by consumers, but that is not always accepted.