

**NEW RULES:** The European Commission is preparing to apply customs duties on cheap products coming from China. Under current rules, goods under €150 (\$162.5) can be imported into the bloc duty free from non-EU countries.

For products over this threshold, the percentage or rate varies depending on the type of goods. The move would be intended to combat an influx of low-quality products imported from Chinese online marketplaces Shein, as well as Temu and AliExpress.

## Speed vs. Price

Amazon defined e-commerce marketplace standards with its 2-day delivery.

Everyone wanted to be like Amazon ... until Temu came along.

Now, Temu is redefining marketplace strategies by enabling factories to sell directly to consumers.

**TEMU'S CHALLENGE:** Deliveries are slow (about 10 days), but no one can compete with Temu on price. Consumers value speed and so Temu has started establishing US warehouses so that sellers can import goods and then ship locally.



**AMAZON FACES PRICE PRESSURE:** However, consumers also want cheaper prices. This has prompted Amazon to try and replicate Temu's supply chain. Amazon will launch a separate section within its marketplace for direct-from-factory. It has said that direct-from-factory will not be included in the marketplace's main search results.

It's too early to tell how this will play out. But you can be sure a lot of people will be watching!

## Target Enables Its Merchants to Sell on Target Plus

Target (USA) has established a new partnership with Shopify (Canada) which will see some of the e-commerce platform's own merchants added to the Target Plus marketplace.

**OPPORTUNITY FOR MERCHANTS** US-based merchants will be able to apply to sell via Target Plus through Shopify's Marketplace Connect app, where they will then also be able to manage orders.

## Reliance To Partner With Shein

Reliance Retail Ventures (India) has signed a strategic partnership with Shein where it will sell Shein's products on its app as well as offline stores owned and operated by Reliance Retail.

The development comes four years after India banned Shein from selling products on its own app as part of a larger crackdown on Chinese apps in 2020 following political tensions between the two nations.

## EU Questions Shein and Temu On Consumer Protection

The EU has demanded that Shein and Temu explain what ac-

tion they are taking to protect consumers, including children.

The query was made under the EU's breakthrough law known as the Digital Services Act (DSA) that forces platforms to do more to tackle the sale of illegal and harmful goods.

**AREAS OF CONCERN:** The European Commission said it wants to know what action the Chinese-founded platforms have taken to make sure users can notify them about illegal products.

- It also wants to know how Shein and Temu are complying with rules regarding online interfaces to avoid "dark patterns", the practice of tricking users into making unwanted purchases or opting-in to certain settings without their knowledge.
- The commission added it wants more information about how they are guaranteeing the transparency of their recommender systems - algorithms used by platforms to push more personalized content - and the ease with which sellers can be traced.

Both companies said they are complying with these requests.

## Alibaba Looks to its Cainiao Logistics to Win in Cross-Border Ecommerce

Alibaba Group Holding (China) plans to support apparel sellers on its Taobao and Tmall platforms by providing them with overseas shipment subsidies, as competition against Shein and Temu heats up.

### COMPETITIVE ADVANTAGE:

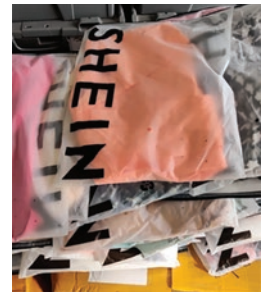
Shein and Temu offers rock bottom prices, but deliveries

can take about ten days. Alibaba wants to leverage its Cainiao logistics infrastructure to offer faster deliveries.

**ELIGIBILITY:** Eligible merchants selling apparel, shoes, bags and accessories on Taobao and Tmall can enroll in Alibaba's new pan-clothing global free shipping plan and sell their products directly to consumers in several markets outside of China.

**HOW IT WORKS:** Qualified merchants need only send ordered goods to a designated consolidation warehouse in China, and Alibaba will handle the cross-border logistics. This arrangement currently covers a few markets in Asia, including Hong Kong, Taiwan, Singapore, Malaysia and South Korea.

**LOGISTICS SUPPORT:** In March, Alibaba's smart logistics arm Cainiao and international e-commerce unit AliExpress expanded their five-day global delivery service to the United States, after launching in Germany, France, Portugal, Saudi Arabia and Mexico last year.



Cainiao can support international express services