

1 APRIL 2008

SPEAKING NOTE

Mrs Chair, Arlene,

Honourable Members,

I welcome this opportunity to present to you the Consumer Scoreboard.

I remember at the beginning of my mandate, in particular you Mrs Chair and Mrs Weiler asked me about the possibility to create a consumer scoreboard. I am very pleased to announce, one year later, that we have one!

Our scoreboard today marks a year of change.

Change - in the way people expect economic reforms to deliver for them as individuals.

Change- in the way a confident Europe, open to the world, can bring home the benefits of an interconnected global economy, for one and all.

Change - in the way European consumers expect a better deal, more choice and real competition in their everyday lives. For Europe to matter in this world of change, it must deliver the fruits of change for each and every European.

I am delighted to inform this Committee on our plans—together with the Member States –to step up monitoring of the performance of markets from a consumer perspective.

Before I outline the methodology and early findings of the Scoreboard, I should briefly recall the framework within which we have developed this initiative.

The Consumer Scoreboard is one of the first results of the Single Market Review.

You will recall that the Review called for better re-connection with EU-citizens.

Our current priority is to deliver the benefits of the Single Market to our citizens in their role as consumers.

The opening up of markets will only be politically sustainable if we can demonstrate to consumers that a fair share of the benefits are being passed on to them.

Our policies need to be more evidence-based and outcome-oriented.

So – how will we do this? We propose a two-phased approach:

First – we carry out an annual screening of numerous consumer markets, across the economy.

This screening will be based on five top-level indicators that capture the reality of the consumer world – complaints, switching, prices, satisfaction and safety.

This will enable us to identify markets where there is a risk, or a hint, that consumers are not benefiting from adequate outcomes, and therefore merit further analysis..

In a **second** phase, we will carry out in-depth, sector-specific analyses of those sectors identified in the first phase as risky in terms of malfunctioning for consumers. These analyses should reveal whether indeed the market is failing.

Malfunctioning could arise from a distortion of consumer choice, from competition weaknesses or from regulatory problems. So, what we need are integrated analyses bringing together different policy approaches..

In addition to monitoring consumer markets, the Scoreboard includes indicators that track progress in retail market integration.

Because of its potential to enhance efficiency and competition, the integration of the retail side of the internal market is an important objective of the consumer policy strategy.

Its full potential is currently far from being fully exploited.

Indeed, after more than 15 years of developing the internal market, it is clear that retail markets for consumers are not fully integrated – in fact, many markets remain fragmented along national lines, creating 27 mini markets instead of a pan-European supermarket.

From business, we tend to get two types of reaction:

- There are those who favour open economies and competition. They believe that healthy markets are in the interest of both business and consumers.
- Then there are those who have little or no interest in efficient European retail markets. They would prefer to carve out their own national markets and have a comfortable life without unpleasant competitive pressure.

Whilst the position of the latter (the Anti-Group) might be rational, it is clearly not in the interest of European consumers and it is not in the interest of the competitiveness of the European economy.

The Scoreboard looks into cross border trade and also explores the reasons behind consumer reticence to shop cross border and thereby exploit the EU-wide potential for distance selling, especially through e-commerce.

Finally, the Scoreboard will help everyone who plays a role in national consumer policy to benchmark the consumer environment in their country to enable easy comparison with other Member States.

We look at, for example, the resources for consumer organisations; consumer confidence in their institutions; and the effectiveness of enforcement and redress.

One of the main findings of this first scoreboard is that we lack much of the relevant, comparable, EU-wide data we need to assess accurately whether we are delivering for our citizens.

For example, crucial data comparing consumer prices across the single market are largely unavailable.

We cannot properly deliver on the Single Market Review without addressing these gaps.

In 2008, we will focus on compiling an EU wide complaint database.

We will follow the footsteps of several countries who have already built, at national level, this very useful policy tool.

The work will move forward with a consultation on a common EU wide system to classify complaints.

Also we are planning extensive work with Eurostat and national statistical offices to develop EU-wide comparable price data.

I am committed to this work and will devote the necessary resources to it.

In this regard, I am particularly grateful for the extra funding of 1 million euros this Parliament has granted for the monitoring of measures in the field of consumer policy and the development of a consumer database.

I hope I will be able to count on your financial support also in the future.

Indeed, the Commission cannot tackle these gaps alone. We need and indeed rely on the support and commitment of national stakeholders to contribute towards a better understanding of the functioning of consumer markets.

In this respect, I am particularly pleased with the endorsement the Scoreboard process received from the Competitiveness Council on 25 February

Conclusion

Mrs Chair, Honourable Members,

I know that you foresee to have an own initiative report on the scoreboard. I am glad about it. It will help us for the next scoreboard. Your ideas and suggestions will be valuable.

I am convinced that together we can make significant progress in understanding the needs of our citizens and in better addressing these needs. The Scoreboard will make a major contribution towards achieving this goal.