12.7.2012

NOTICE TO MEMBERS

(6/2012)

Subject: **Report on the visit of the delegation of the Committee on the Internal Market and Consumer Protection to Cyprus (2 - 4 April 2012)**

The Internal Market and Consumer Protection (IMCO) Delegation:

- Visited the House of Representatives of Cyprus and held constructive meetings with Members of the Committee on Trade and Industry and the Committee on Foreign and European Affairs
- Had a fruitful discussion with the Minister for Commerce, Industry and Tourism and with the Deputy Minister for European Affairs regarding political priorities in relation to both the Internal Market and consumer affairs for the upcoming Presidency.
- Had a constructive discussion with chairpersons of the working groups which will be dealing with main IMO files during Cyprus Presidency
- Heard the concerns of Cypriot consumer organisations with regard to consumer rights
- Held informative meetings with major Cypriot business associations and chambers of commerce
- Met with Cypriot Trade unions and social partners (PEO, SEK, DEOK)

Participating Members

1) Malcolm Harbour (Chairman)
2) Constance Le Grip (EPP)
3) Andreas Schwab (EPP)
4) Evelyne Gebhardt (S&D)
5) Olga Sehnalová (S&D)

6) Cristian Silviu Buşoi (ALDE)
7) Edvard Kožušník (ECR)
8) Kyriacos Triantaphyllides (GUE/NGL)

Monday, 2 April 2012
(Nicosia)

(1) Coordination meeting by the European Parliament Office in Cyprus

Mr Tasos Georgiou, Head of the European Parliament Office in Cyprus, gave an overview of economic aspects of the situation of Cyprus and the recent political developments.

Tuesday, 3 April 2012
(Nicosia)

(2) Briefing by the EP office

As of July 1st, 2012 Cyprus takes over the helm of the presidency of the Council of the European Union for six months, for the first time after its accession, an important milestone for the Republic of Cyprus.

(3) Meeting with the Accountant General of the Republic of Cyprus, Treasury of the Republic of Cyprus, Ms Rea Georgiou

Ms Georgiou apologised for not being able to meet the delegation, the meeting took place with the deputy accountant general. In Cyprus, the Treasury is in charge of public procurement coordination. Public procurement will be one of the top priorities of the Cypriot Presidency, with the objective to reach an agreement before the end of 2012.

Within the Treasury the Public Procurement Directorate monitors and controls public procurement in Cyprus and provides the eProcurement system. The procurement system is bilingual; it allows finding general information and calls for tender, to download documents and to submit tenders. Registration is free for operators and controlled for contracting authorities. Publications by contracting authorities (notices, awarding) is mandatory. Operators can choose how they submit tenders.

The IMCO delegation asked questions about availability of statistics and the way to improve the rate of electronic submissions. They also expressed concerns about ways to contest call for tenders. Cypriot counterparts indicated that activity on the website was increasing and that its use did not create problems subject to contestation.

(4) Meeting with the Minister of Commerce, Industry and Tourism - Competitiveness Minister, Mr Neoklis Sylikiotis

The IMCO delegation met with Mr Neoklis Sylikiotis, minister of Commerce, Industry, Tourism and Competitiveness. It also met with the future chairpersons of working groups on IMCO issues for the upcoming Cypriot Presidency.

Mr Sylikiotis gave an overview of the priorities of the Cypriot Presidency. Cyprus intends to focus on the 12 key actions of the Single Market Act. Most important files are: revision of the Mutual Recognition of the Professional Qualification directive, the Public Procurement package and the ADR/ODR texts. The consumer agenda 2014-2020 will also be an important issue. Mr Sylikiotis also expressed the will of Cypriot government to take advantage of the 20 years of the single market to create a renewed dynamism.

The IMCO delegation took note of the Cypriot priorities. Members commented on Professional Qualification and asked Cyprus views on professional qualification card. They also asked what Cyprus position on reciprocity was, and what proposals could be made to build an adequate ADR level. The IMCO chairman indicated that the Standardisation file and the alignment of the 9 directives with the new legislative framework should be finished by the end of the Danish Presidency.

(5) Meeting with the Deputy Minister for European Affairs, Mr Andreas D. Mavroyiannis

Mr Mavroyianis recalled how important it was for Cyprus to ensure for the 1st time the Presidency of the Union. He indicated that a special unit of the Cypriot administration was dedicated to the steering of the Presidency. He also ensured that Cyprus difficulties with Turkey and Cyprus Presidency should remain independent issues.

He expressed his hope that the multiannual financial framework would be finalized by the end of 2012. Concerning the internal market, Mr Mavroyianis confirmed the dedication of Cyprus to work on the key actions of the SMA and for the celebration of the 20 years.

(6) Cultural visit

Members made a short tour of the old part of Nicosia, they Walked around Laiki Yitonia, Visited to the Levention Museum and walked to the crossing point at Ledra Street.

Wednesday, 4 April 2012
(Nicosia)

(7) Visit to the House of Representatives of Cyprus Meetings with the Committee on Foreign and European Affairs, Mr. Averof Neofytou, Chairman, and with the Committee on Trade and Industry, Mr. Lefteris Christophorou, Chairman

Representatives expressed their views on the main files to be discussed during the Cypriot Presidency: revision of the Mutual Recognition of the Professional Qualification directive, the Public Procurement package and the ADR/ODR texts.

Members and Representatives expressed their concern about better implementation of regulations in the field of consumer protection. They agreed that rights of consumers should be better ensured in the field of eCommerce in order to enable it to develop. Members insisted on the need to promote mobility of workers in the EU, considering the professional card as a useful tool. Representatives pointed out difficulties of Cyprus to comply with all EU requirements considering its specific and difficult situation, referring to the Cyprus-Turkey conflict.

(8) Meeting with Cyprus Chamber of Commerce and Industry, Mr. Panayiotis Loizides, Secretary General, Cyprus Employers and Industrialists Federation, Mr. Philios Zachariades, Chairman,

Members' counterparts expressed their concern about the energy sector which is becoming one of the main challenges for Cyprus. They underlined the importance of the services and tourism sectors for Cyprus economy. They noticed that EU regulations were sometimes difficult to comply with for SMEs. They pointed out that directives dealing with services – services directive, mutual recognition of professional qualification directive – should also focus on quality of services and consumer protection. Members agreed that these issues were important but also pointed out to the need to cut red tape for SMEs and reverse the burden of proof.

(9) Meeting with trade unions / social partners (PEO, SEK, DEOK)

Trade unions representatives expressed their concerns for consumer. Combination of cheap labour and high prices make life difficult for Cyprus citizens and workers. Considering this situation, they underlined the need for better information of consumers.

Members noticed that the professional card could be a way to increase mobility of workers and allow them to seize new opportunities.

Unions representatives confirmed that they had no disagreement with the professional card but pointed out the need to ensure that professionals are certified, recognised and that they earn consistent wages.

(10) Meeting with the Cyprus Consumers Association, Mr. Fryni Michael, Head of the Cyprus Consumers Association

Representatives of this association expressed their concerns with high prices, especially energy prices. They insisted on the importance of consumer empowerment, their called for appropriate tools. Among these tools, they welcomed the intention to develop ADR but also called for a proper legislation on collective redress.

(11) Meeting with Consumer organisation "European Consumer Centre Cyprus" (ECC)

MEPs met with Ms Papachristoforou Director of the ECC in Cyprus which started operating in 2005. Most of the complaints relate to air transport (luggage damage) and eCommerce accounts for 60% of complains (an important % is about air-tickets bought). The ECC provides info to consumers on cross border and national transactions. Various leaflets have been prepared such as on car rental, on healthcare, on the EU directive on services. The ECC is active in educating consumers and offers assistance in conflict resolution on cross border issues.

Members enquired about particular aspects of EU legislation that could be improved as well as operational measures that could be taken to make the ECCs more effective. The director indicated that the Passengers' rights directive should be amended to clarify the definition of "Exceptional circumstances". The issue of trust marks as a means of providing confidence to consumers was also raised, however, these have to be accompanied by effective market surveillance to verify that the trader complies with the trust mark.

The scarcity of HR at the biggest ECC leads to less satisfactory attention to individual complaints from other countries. The need for an ADR system is evident. The eCommerce directive indicates that contact details have to be provided by traders and this would facilitate case- handling as trader identification and its place of registration is the first step in every on-line dispute.