

**IMCO – STRUCTURED DIALOGUE**

**WEDNESDAY 26 MAY 2011, 09:30HRS  
EUROPEAN PARLIAMENT - BRUSSELS**

**EU CONSUMER POLICY: TAKING STOCK AND MOVING AHEAD**

Mr Chairman,

Honourable Members of the Internal Market Committee,

I am very honoured to be here today.

Since our last meeting, about a year ago, it has become more and more apparent that at a time when Europe needs new sources of growth, consumer policy is one area which can make a telling contribution to meeting the Europe 2020 objectives.

We simply cannot afford to ignore the huge potential of consumer expenditure which amounts to 56% of EU GDP.

Incremental improvements in consumer decision-making can leverage their impact on strengthening the Single Market and stimulating growth.

This is why, more than ever, I believe that we need well-protected, empowered and confident consumers and to tackle the fragmented single market.

## **The future**

In order to achieve this objective I am in the process of preparing a new strategy for consumer policy, and the supporting financial framework, which should be ready by the end of this year.

Before going into the details of the current initiatives, I want to share with you my ideas on the future of Consumer Policy and I will be grateful for your feedback .

I believe that the overarching theme of the future strategy should be the empowerment of consumers.

The survey on consumer empowerment that the Commission published recently has exposed the lack of consumer awareness of their rights and confirmed the need to tackle consumers' empowerment.

This concept is particularly meaningful to me as it represents the way I see consumers: consumers should be key players in the economy and drive the market.

Actually the consumer should be the king of the Single Market, its SIRE so to say, and I believe that all consumers should be empowered to benefit from the Single Market through a policy that puts at its heart – their Safety, Information (and Education), access to Redress and Enforcement of their rights.

After having ensured their safety, we need to ensure that consumers have reliable information that they can understand and the best possible tools of the internet age in order to be aware, able to choose, and make the best use of their rights in an increasingly challenging market.

In order to achieve these objectives the active role of public authorities as well as of consumer organisations is essential. I therefore believe that with next strategy we should also aim at building and supporting strong and competent consumer organisations that can really help consumers, raise their awareness and represent their interests both in policy-making and in real life.

It goes without saying that a solid strategy will continue to need a solid evidence base and good understanding of consumer behaviour to devise and implement the most appropriate actions.

Last but not least, as the Commissioner in charge of consumer policy, I will continue to ensure in the Strategy that consumer interest is integrated from the start into all relevant EU policies. This is necessary for ensuring that all key policies really deliver for consumers.

### **Ongoing initiatives**

Coming back to the ongoing initiatives, as President Barroso has said, we need to "ensure that the benefits of the internal market get through to the final consumer".

Many of the elements needed to achieve this objective were highlighted last year in the Report from the Honourable Louis Grech and in the Report of Professor Monti and have now, in part, been translated into a series of actions included in the Single Market Act.

I will go through where we stand today. As you will realise, we have planted many seeds but a lot of work is still needed before harvesting.

On Alternative Dispute Resolution, which is the key action for consumers in the Single Market Act, let me first thank this Committee for the joint organisation of the Summit held here in the Parliament last 16 March.

The rich debate hosted by you, Chairman, showed the broadest possible support for improving ADR schemes, especially for cross-border and online transactions. I am also pleased to see that the report of Ms Kalniete underlined the importance of the future ADR proposal.

My objective is to ensure that ADR schemes offer a high-quality service, making the most of existing structures.

The first results of the public consultation on ADR also point in this direction. We received more than two hundred contributions from stakeholders, a summary of which my services published earlier this month.

This feedback will be used for the preparation of the ADR initiative by the end of this year. Our current thinking is that it will comprise two instruments – a framework Directive for ADR generally and a Regulation for the on-line resolution of cross-border e-commerce transactions disputes.

In parallel, on collective redress, we are digesting the results of the public consultation which received about 18 000 replies.

I will be working very closely with Vice Presidents Reding and Almunia to prepare a Communication by the end of this year presenting the way forward.

In the field of product safety, another important area of work included in the Single Market Act, I am moving ahead with the revision of the General Product Safety Directive. Building on the extensive public and stakeholder consultation, we are now working on the impact assessment.

I aim at presenting a proposal, with Vice President Tajani, concerning the future EU market surveillance framework in the second semester.

The objective is to deliver more effective, co-ordinated action by market surveillance authorities; a level-playing field for businesses; and, above all, an internal market of safe goods for European consumers.

In this context, I very much welcome the Schaldemose report adopted in February– an excellent piece of work whose recommendations the Commission will take very seriously.

On product safety, let me also mention all the work in process in the international cooperation particularly with China and the United States. Mr Harbour has directly witnessed the results of this work during his visit to China in the context of the High Level Trilateral EU-US-China Summit and I trust that he can agree with me on its importance for European consumers.

Regarding the non-legislative initiatives, I am pleased to tell you that the evaluation of the network of European Consumer Centres (ECCs) has just been finalised.

According to EuroBarometer surveys this is the best known of the networks supported by the Commission. Given the potential of this network in further helping consumers, we will be launching next month a campaign to further increase its visibility and awareness amongst consumers. In parallel we are talking to Member States, as well as the ECCs themselves, about how the network could evolve to increasingly meet consumer needs and expectations.

The enforcement of consumers' economic rights has continued to improve thanks to the operation of the Consumer Protection Cooperation (CPC) Network of national enforcement authorities.

The "sweeps" joint actions, highlighted in the Hedh report – which have introduced a new "European" dimension to enforcement and put the spotlight on sectors that needed to improve compliance, continue to deliver results.

We will soon be presenting the second Biennial Report on the application of the CPC Regulation and launch an independent evaluation on this Regulation. While consolidating the Network at operational level with the Member States, I believe that we need to carry out a solid assessment of the regulatory framework to see what issues need to be addressed to further improve the effectiveness of the enforcement of consumer rights in Europe.

Besides engaging on the initiatives under my direct responsibility, in my capacity of Commissioner responsible for Consumer Policy I have invested significant resources in integrating consumer interests into the European Union sector policies, which are directly followed by my Fellow Commissioners.

The list is very long, but let me briefly mention only a few priorities.



In the field of financial services, besides ensuring that the implementation of the consumer credit directive, which falls under my responsibility, is carried out properly, I closely work with Commissioner Barnier on the issue of improving transparency of bank fees and on ensuring that consumer interests are properly taken into account in all financial services. And I must say that I am very satisfied with the results achieved so far in this cooperation, the proposal on mortgage credit is the most recent example.

Moving to the field of energy, I warmly welcomed the fact that the December Energy European Council endorsed our view that the success of energy policy will rely to a great extent on whether benefits actually reach consumers, a goal to which I have significantly contributed through the work of my staff.

In the context of the Digital Agenda, I have consistently argued for pan-European licenses for digital content, stricter rules for personal data protection and privacy, and for the development of a market that meets the demands and the needs of consumers, by providing them with affordable and interesting legal offers, which avoid that consumers inadvertently turn to illegal behaviours.

I have also been closely involved in the preparation of the new strategy on intellectual property rights which the Commission adopted this week, and I very much look forward to the individual initiatives that will follow, particularly the one on the issue of copyright levies, to deliver results for the benefit of consumers.

I also plan to work closely with the IMCO working group set up by Mr Arias on e-commerce and with Commissioner Barnier to develop a new strategy for e-commerce. My services are heavily engaged on this task. Moreover, I will continue my efforts to ensure that all consumers are able to benefit from new affordable telecom services in a competitive environment.

With regard to sustainable consumption, I have actively contributed to the adoption, by all partners in the food chain, of Guiding Principles on environmental assessment and communication.

In parallel, I am working closely with retailers in the Retail Forum for sustainability on tackling environmental challenges.

In the field of transport we are involved in the on-going extension of passenger rights provisions, as well as the initiative to protect passengers against the consequences of airline insolvency. I believe that any clarification or modification of the rules should strike a fair balance and not be detrimental to consumers.

Last but not least I am cooperating with Vice President Reding in enhancing the legislative framework on consumer rights.

As requested in the Hedh report, from this year onwards I will be preparing an annual report presenting an overview of how the Commission has integrated consumer interests into EU policies.

These integration efforts could not take place without the work on data gathering and analysis – the 5<sup>th</sup> Consumer Market Scoreboard was published in March and we have launched new studies on broadband internet services and the meat sector.

The conference we organised last November on behavioural economics clearly demonstrated that designing effective legislation requires a far better understanding of consumer behaviour. This knowledge will be used to devise better and more effective measures in the future.

But let me conclude by saying that even when we have gathered all the necessary evidence on the need for action, set up the best legislative framework, ensured its proper enforcement and given consumers access to redress, if consumers themselves are not aware of their rights and do not know how to use them, we have not succeeded in our objective. That is why consumer empowerment for me has to be the pillar of the future Strategy.

The survey on consumer empowerment has provided both a "reality check" and a powerful indication to all of us of the direction in which we have to go both at EU, and at national level. The results of the evaluation of the consumer information, education and capacity building tools that I am currently conducting will also provide valid input for the future work.

While I am naturally aware of the financial constraints, I am sure that you will understand why I hope very strongly that the consumer budget should at least be maintained at its current level after 2013.

Chairman, Honourable Members of the Committee,

I am fully committed to delivering on the promises I made to you at the beginning of my mandate, to put consumers first.

But none of the objectives or the initiatives I have highlighted today can be achieved or carried through without the strong support of this Committee and the Parliament.

I very much hope that you share my vision for European consumers and that I can continue to count on your support.

**End**

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