

**ANNUAL MEETING OF TACD (TRANS-ATLANTIC CONSUMER DIALOGUE)**  
**12 MARCH 2007, BRUSSELS**  
**SPEECH OF COMMISSIONER FOR CONSUMER PROTECTION MEGLENA KUNEVA**

Ladies and Gentlemen,

I am delighted to have the opportunity to meet you all for this annual meeting of the Trans-Atlantic Consumer Dialogue.

As European Commissioner for Consumer Protection, I am very keen to meet a wide range of actors in consumer policy, and indeed to understand better the views and perspectives of international partners, including of course the United States.

It is most valuable to have here today – under the same roof – consumer organisations and public authorities from both sides of the Atlantic.

Consumer policy stands in a pivotal position in relation to the two main priorities for the European Union:

- ensuring growth and jobs
- re-connecting Europe with its citizens.

Consumers must be recognised as a major economic force:

- Their consumption represents 58% of EU GDP;
- They are the motor of economic change;
- Consumer activity serves as a driver for innovation and efficiency.

I want to see consumers, in their rightful position as **frontline actors** of Consumer policy.

To facilitate this, consumers must be empowered with rights – and knowledge of those rights.

The European internal market, potentially the largest retail market in the world, was developed **for** consumers rather than **with** consumers.

Consumers have not been sufficiently involved in developments to date, and are therefore often unable to reap the full benefits.

However, the **e-commerce** revolution heralds a change for the better in putting consumers in the driving seat.

E-commerce accelerates the integration of the retail market, giving major stimulus to competitiveness and expanding opportunities for consumers to choose appropriate products and services.

We must however be attentive to consumer concerns and potential problems created by the rise of e-commerce.

Such concerns include uncertainties about the applicable legal framework for consumer safety on the Internet, or the impact of new technologies such as RFIDs (radio frequency identification), which you will address tomorrow.

We need to make sure that the rights of consumers are fully secured both in traditional transactions and in the digital world.

With the aim of putting consumers firmly at the heart of the economy, I have set out three fundamental objectives for Consumer Policy over the next seven years, which I hope will be officially endorsed by the European Commission tomorrow:

- **Empowering EU consumers.**  
Empowered consumers need accurate information, market transparency and the confidence that stems from a simple and clear set of rights and obligations and effective mechanisms of redress when things go wrong.
- **Enhancing consumer welfare** in terms of price, choice, quality and safety.

- **Protecting consumers** from serious risks and threats.

Towards achieving these objectives we have identified three priority areas for action – better regulation; better enforcement of those regulations; and a strengthened role for consumer organisations.

#### Better regulation

Better regulation is not only for businesses, it is also for the consumer. It means having consumer rules that are in tune with the needs of EU citizens, which they can invoke when problems arise.

Each and every European citizen should enjoy the same rights within the same market. I am sensitive to the need for cohesion in all Member States, and in particular in the newer Member States.

By developing sound monitoring tools and indicators to assess market functioning in consumer terms, we can react more quickly to changes, in particular when corrective action is needed.

I would like a consumer scoreboard to be set up to monitor progress and difficulties for consumers.

And I would welcome **your input towards developing key benchmarks for consumer policy in a global context.**

#### Better enforcement

But regulation – however well judged, well drafted and well targeted – is of scant value if it cannot be backed up by **proper enforcement**.

The enforcement of consumer rules is a complex issue involving a wide range of actors and operators, public and private.

A recent consumer survey identified rights such as clear pricing, pre-contractual information, right of return at a distance, right of return of defective goods and the ban on misleading practices as the most important ways to protect consumers.

#### Strong consumer organisations

Consumer organisations also have a key role in enforcement. They act as the watchdogs of the market, fighting every day against the unfair and illegal behaviour of dishonest traders.

I am in favour of considering possible action on collective redress, both for competition infringements and, for example, small claims.

Plus – I am fully seized of the importance of raising the voice of the consumer in the decision-making processes.

I will push for consumer organisations to be able to speak out in various policy fora and for a **strong consumer movement** at national level.

In the coming years, we will continue to focus our support on the new Member States in this regard, because this is where help is most needed.

#### International dimension

The international dimension is an important element of EU Consumer Policy.

For the rest of the world, Consumer Protection is a practical manifestation of European values, in particular the crucial values of fairness and transparency.

EU-US regulatory co-operation is of prime importance in this respect.

The growth in e-commerce increases the globalisation of consumption, opening up the whole world to any consumer. But E-commerce also opens doors to rogue traders, operating internationally.

We must act swiftly to stop such activities. To maximise efficiency, we need to work together.

A common misconception is that regulation constitutes a market barrier.

This may be true of "bad regulation". However, good regulation could be instrumental towards providing consumers and business with transparent, legally enforceable and efficient market mechanisms.

Given the many similar challenges we face on both sides of the Atlantic, there is a shared interest in further cooperation.

The TACD is active on several areas of EU-US regulatory co-operation – notably consumer policy, food safety and nutritional labelling.

This is a useful reality check. We all have much to gain from transparency and stakeholder involvement in regulatory cooperation.

Let me briefly outline our two main regulatory co-operation activities with the US on consumer policy.

The EU Regulation on consumer protection cooperation provides for the possibility to enter into international agreements on mutual assistance between the EU and third countries.

The "US Safe Web Act" adopted at the end of 2006 gives a legal basis for the US to seek co-operation with authorities in third countries in relation to actions against rogue traders.

I intend to explore options for co-operation with my US counterparts later this year.

Consumer product safety is another key area for co-operation between the EU and the US. So far, the continuous dialogue between the US Consumer Product Safety Commission and the Health and Consumer Department of the Commission has been positive.

However, the agreed guidelines under which we communicate ("Guidelines for information exchange and administrative cooperation") allow only limited exchanges of information on dangerous consumer products found on the market.

This is because the American Consumer Product Safety Commission is empowered to exchange only public information, and not confidential information, with foreign law enforcement agencies.

We would welcome new US provisions to allow the US Consumer Product Safety Commission to exchange data relevant to dangerous products in the US, which have been so far classified as "confidential business information", with the European Commission and with EU market surveillance authorities.

I understand that US Consumer organisations are also keen to have more information on dangerous products.

I am due to visit the US this autumn and I hope to discuss these issues with the Federal Trade Commission, the Consumer Product Safety Commission and consumer organisations.

#### Conclusion

Ladies and Gentlemen,

I look forward to the conclusions of this 8<sup>th</sup> meeting of the Transatlantic Consumer Dialogue – which I hope will be both enjoyable and fruitful for all participants.

Your work and dedication will contribute towards further improving mutual co-operation both on the governmental and non-governmental side, and between the European Union and the United States of America.