



EUROPEAN COMMISSION
HEALTH AND CONSUMERS DIRECTORATE-GENERAL

Consumer Affairs
Consumer Strategy, Representation and International Relations

Minutes of the European Consumer Consultative Group (ECCG)

10 June 2011

BRUSSELS, Centre Albert Borschette

CHAIR: EUROPEAN COMMISSION

1. Opening and approval of the agenda

The Commission (Ms Jacqueline Minor, DG Health and Consumers) welcomed the ECCG members. The agenda of the meeting was agreed.

2. Preparation of the post-2013 Consumer Policy Strategy and Programme of Community Action

The Commission (Ms Jacqueline Minor, DG Health and Consumers) sketched the context of the Consumer Act/Agenda, and how a more visible 'package' of consumer policies and issues elaborated by DG JUST and DG SANCO (plus inputs from other DGs like MOVE and MARKT) should be considered a strategic initiative.

The Commission (Ms Paraskevi Michou, DG Justice Dir. A) explained that this Consumer Act/Agenda will be the product of a coherent, efficient and streamlined co-operation between the two DGs and its progress be further discussed during future ECCG meetings.

The Commission (Mr. Olivier Micol, DG Health and Consumers) informed that the Consumer Agenda will be prepared for the first half of 2012 and will enter into force immediately in 2012. This will provide more time than the initial timetable, thus giving more opportunity to integrate inputs from stakeholder, including the European Parliament who is preparing a report on consumer policy for October/November. On the other hand, the planning for the preparation of the post-2013 Consumer Programme (the financial framework) does not change: it should be ready by the end of 2011 to be adopted by the College as the other financial framework.

The Commission (Mr. Olivier Micol, DG Health and Consumers) also informed that the focus of the Consumer Agenda will be on Empowerment in the broad sense of the terms, encompassing the four priorities of safety, consumer information and education (including consumer market monitoring and support to consumer organisations), consumer rights and redress and enforcement. Consumer interest will be integrated in other policies as well. The consumer Agenda should be seen as a global response to four main challenges faced by EU consumers: more complexity, the need to move towards more sustainable patterns of consumption, digitalisation, and an ageing population.

The replies received from ECCG members, national authorities (CPN, CPC) and business generally supported the list of priorities put forward by the Commission for the Consumer Agenda, but with a different emphasis on one of the other topics and on the level of ambition.

Several ECCG members insisted on the importance to include collective redress and requested more emphasis on legislation.

The BEUC representative inquired about further consultations in the context of the preparation of the Consumer Agenda.

The Danish representative recommended to put the consumer in the centre of the policy document, and asked about the further procedure. The representative stressed the importance of the involvement of all relevant Commission services as for the Single Market Act.

The Commission (Ms Jacqueline Minor, DG Health and Consumers) said that no matter the exact final denomination of the document (Consumer Act or Agenda), it will be elaborated involving all relevant Commissioners. There should normally be an open consultation of stakeholders outside the Commission, but the form of this consultation had not yet been decided.

The Commission (Ms Paraskevi Michou, DG Justice Dir. A) told that consultation will go both ways in order for things to be delivered. There will be collaboration with other Commission services, for instance DG MOVE, in order to deliver a coherent package and not duplicate the efforts.

The representative from Great Britain agreed that it is good to have more time in order to integrate the consumer policy in other sectors as well. The representative suggested that the term of 'Act' could be redefined at a later stage.

The representative from Slovenia wanted transparent consultation regarding the document and supported BEUC's point of view. The representative expressed concerns regarding the optional instrument that would bring additional troubles for the consumer and was afraid that consumer protection will be lowered due to too many issues opened.

The BEUC representative said that the initial strategy was too narrow and that attention should be paid to the way results are used in terms of policy.

Luxembourg's representative referred to the article "Consumer needs more than protection" (already disseminated).

France's representative pointed out that great care should be taken when developing this policy so as not to lead to a questioning of rights acquired by consumers in some countries. If most associations are in favour of mediation, this form of dispute resolution should only be promoted for systems with particular guarantees of independence for consumer safeguards. These safeguards were not guaranteed in all currently existing systems.

The representative from Austria supported BEUC's opinion and wanted enforcement in ADR not just recommendations.

The Commission (Ms Jacqueline Minor, DG Health and Consumers) said that the Consumer Act/Agenda will be drafted after the ADR proposal.

Denmark's representative perceived ADR as a way of redress and not as enforcement.

The Commission (Ms Paraskevi Michou, DG Justice Dir. A) informed that the Accessibility Act would be ready by the end of this year.

Denmark's representative found the Consumer Rights Directive as a text too complicated to implement.

The Commission (Ms Paraskevi Michou, DG Justice Dir. A) said that it made the negotiations harder.

The Greek representative expressed the need for concrete consumer policy on consumer protection that would regain consumers' trust into the safety of the market.

The Swedish representative believed that consumer policy should prove useful for areas like sustainable consumption, social responsibility and public procurement, even though there is still a bit of scepticism in this particular field.

The Commission (Ms Jacqueline Minor, DG Health and Consumers) said that it was not known at the moment how much the food aspect will be mentioned in the Act/Agenda.

The representative from Spain expressed concern on how policy will influence the everyday life of consumers and how policy will be implemented on national level. She also stressed the element of the aging population of Europe.

Poland's representative placed emphasis on the legislative measures to be adopted.

The Irish representative said that the business sector should come to the table of discussion before interpreting consumer law and that ADR costs are highly felt especially in these particular recession times.

The representative of Poland said that consumer associations in new member states are in a process of development, thus still having a poorer organisation. Consumers should not be perceived as a problem and more emphasis should be placed on consumer education.

The Belgian representative required the presence of a 'red thread' throughout the act, implying the mobilising effects of this. More dialogue with industry was required so that interpretative communication would not appear from industry's part at a later stage.

Austria's representative mentioned that enforcement should be done through consumer organisations.

Norway's representative suggested that there should be a supervising body for the Consumer Act/Agenda.

3. International dimension of consumer policy and OECD Committee on Consumer Policy (CCP)

Peter Avery (consumer policy officer, OECD) presented the OECD's work and organisation of consumer policy. He mentioned a plan to create a Global Recall Database similar to the European RAPEX. Emphasis is also placed on consumer economics as a life long learning process, on the digital framework and sustainable consumption.

Denmark's representative inquired on how OECD countries involve their consumer organisations in meetings before policy making and how spam is dealt with on an international level.

Romania's representative inquired on how OECD deals with the lower quality of imports from China.

Peter Avery replied that consumer associations' views are seen as informal but they are starting to be taken more and more seriously and included into national recommendations. An action plan questionnaire is to be discussed in October in London.

China has started to be engaged in policy and information sharing but not yet in terms of product quality.

4. Roaming review

Presentation on the issues concerning the roaming regulation by the Commission (Mr Vesa Teävä, INFSO B2). The present roaming regulation will expire at the end of June 2012. The Commission has prepared a proposal for the revision of the regulation which was due for adoption by the end of June 2011.

A study on the regulatory options has shown that the prices of voice & SMS services have decreased after the setting of regulatory price caps, but their level is still very close to the one of the price caps. This shows that competition in this sector is not yet effective. In particular, with regard to data roaming market it has to be noted that reductions in wholesale data roaming prices have not been transferred to the retail market, to the detriment of the consumer.

The analysis of the roaming market as well as the public consultation, closed in February 2011, demonstrated the continued structural problems in the market. These problems stem from the fact that since mobile services are sold in a bundle (including both domestic and roaming services) and given that most of the consumption is domestic, a consumer's choice over different mobile communications providers is primarily determined by the domestic mobile prices. This implies that competition takes place rather on domestic mobile services than on roaming services.

However, concern has been expressed about the high cost of roaming, the persistence of bill shocks especially when making use of data transfers.

The consumers' point of view is that the regulation should be extended, and price caps should be continued. However, it is important to address the structural problems in the roaming market and therefore alternatives for the price capping are needed.

A possible solution would be to make consumers more aware of the roaming prices. In this regard, a hybrid approach has been considered which, while safeguarding the consumer interest in the short term by way of price caps, would contain measures addressing the structural competition problems in the roaming market leading to a sustainable competition.

There followed a presentation by Vicky Hamley - Emilsson, representative of ECTA.

ECTA is an organisation representing the interests of companies active in the fixed and mobile telecommunications sector, both incumbents and new entrants.

The results of an internal study show that among countries, differences persist in the services offered.

With regards to the roaming issue, two trends of thought emerge.

On one hand, most network operators agree with continuing the application of price caps; however they believe that a structural regulation will not increase competition but rather squeeze margins, lastly to the detriment of the consumer.

On the other hand, mainly new entrants show a preference for a structural solution, in light of the persisting entry barriers characterising the market and the resulting weaker bargaining power of the new entrants, which lead to prices remaining unjustifiably high. The removal of technological barriers would enable them to increase their bargaining power, thereby also lowering the retail prices. They also support the development of alternative communication means, such as wifi.

There was a consensus from the participants on the need to lower the differences between wholesale and retail price caps and agreement not to remove the regulation.

Comments were made from the representatives of Denmark and Sweden with respect to the higher roaming prices for outgoing calls outside the EU. However, according to the Commission, at present it cannot address the issue on outgoing calls outside the EU in legal terms.

The representative of the UK asked how much impact the raise of consumer awareness would have on the competitive structure of the telecommunications market.

The representatives of the Czech Republic and Austria commented and gave examples on the differences between national and roaming tariffs, and on the existence of a demand for lower roaming prices for outgoing calls outside the EU from migrant workers.

The representative of Belgium expressed the need for a price regulation for transfer of data and stated the example of smart phones transferring data automatically. He welcomed the idea about implementing a Pan-European license or any other solution and any suggestion to extend offers on telecommunication services across borders.

The representative of ECTA responded to this comment by stating the possible outcomes on the competitiveness of the market structure of the implementation of a Pan-European license.

The representatives of Greece and Spain expressed their concern about the existing differences between advertised speeds of data transfers with respect to the actual delivered speed.

Additional point: presentation of THE SHIGA TOXIN-PRODUCING E. COLI (STEC) OUTBREAK AND FOLLOW-UP by the Commission (Koen van Dyck, SANCO E2)

The symptoms following the outbreak were intestine diseases. After deducting a link between the patients with a particular restaurant situated in the Northern Part of Germany, the possible source of the outbreak was determined on 05.06.2011 to be a farm situated near Hamburg.

Chronologically, RASFF first excluded meat and milk as a possible source for outbreak and instead enacted a warning for vegetable, in particular tomatoes, cucumbers and salads as possible sources for the outbreak. Cucumbers from Spain were included. However, after having collected 850 samples, no evidence of strain of e.coli was found in any of these food products. In the meantime, the link to bean sprouts grown in a farm near Hamburg emerged, which lead to the withdrawal from the market.

Following these actions, the warning for the above mentioned vegetables with the exception of sprouts was withdrawn.

The speaker noted that these sprouts were not sold abroad.

Following this report, the Commission contacted the Member States to make a new case definition; interviews with patients took place.

Since then, the European food safety authorities published on 09/06.2011 an assessment of the risks of processing raw vegetables.

The ECDC also prepared a document advising on the hygienic procedures to follow when cooking vegetables or when preparing them raw. They also assisted the German research team in finding the source of outbreak for e.coli

The results on the vegetable were negative, but this might have to do with the vegetable having been disinfected previously. Moreover the samples were taken in May; since then the bacteriological situation might have changed.

The presenter concluded that the investigation on the outbreak of the bacteria was still in process.

The position of the Commission was to find the source of outbreak as soon as possible and to wait for more information on the subject.

To the questions of the Chair asking for more details about the bacteria, Mr van Dyck explained that RASFF cannot draw conclusions on the outbreak yet and added that this rare strain of e.coli was particularly resistant to antibiotics.

There followed a discussion during which Members raised their concerns and sought clarification on the various steps of the investigation. The discussion also dealt with suggestions as to the possibilities of how to prevent such a crisis in the future.

5. RAPEX report 2010

The Commission (Adam Romanowski (DG SANCO B3) presented the RAPEX report 2010. The RAPEX system is an important tool for consumer protection in Europe and is defined as the EU Rapid Alert System for non-food dangerous products. The participation of the Member States in the RAPEX system is mandatory. It is also open for 3rd countries besides the 30 European countries (only China so far – indirect and partial access to the data base).

The scope of the System has been significantly extended; but it excludes Food, Feed, Medical devices and Pharmaceutical because there exist separate systems for these product branches. The key activity of RAPEX is its role is to coordinate all the systems through one contact point.

The RAPEX database is not accessible to the public. The latest notifications are being provided weekly.

The representative of Luxembourg asked whether there would be compensation or follow up actions for the country of origin in the case of the withdrawal of a product from the market after a wrong notification (the cucumbers in Spain).

The Commission answered that Member States do check the notifications in order to prevent wrong information and to ensure good communication. They are checked not only by one person but by a whole team. The Commission acts as facilitator of this system, while the responsibility lies with Member States.

The representative of Denmark pointed out that information should be available among all the countries.

The Commission added that the most important information in the notification process is that of the country of origin and the manufacturer. They also pointed out that they organise a big press conference each year at the moment of the publication of the RAPEX report.

However, the Commission cannot achieve all the work from Brussels, thus local consumer organisations have an important role in disseminating information.

6. BEUC CEE consumer movement project

Heike Thomsen (BEUC, Training Department) presented the report on the BEUC CEE consumer movement project. This project aims to reinforce the consumer movement in Central, Eastern and South-Eastern Europe (CESEE) – the report concerns the evaluation made by BEUC in six representative countries.

Why has BEUC done this evaluation?

It represents a follow-up to BEUC's 2020 vision paper and a more in-depth analysis.

It also provides an evidence base to support future policies and initiatives and identify priority actions. 6 countries were selected and evaluated: Bulgaria, Czech Republic, Hungary, Lithuania, Poland and Romania.

Finally, an extension of this evaluation (other CESEE countries) would be beneficial, but this possibility depends on the amount of available budget

The evaluation criteria were:

- Capacity
- Activities (2 key observations: lack of research and duplication of efforts, especially when budget is so scarce).
- Budget and financing (most discussed subject in the region)
- Representativeness and impact (often lacking which is something that needs to be tackled).

The main findings of the report are:

The situation is very difficult, even worsening for several consumer organisations (COs). Notable differences between capacities and capabilities of different organisations in different countries persist. Governments show limited understanding of consumer policy and role of consumer organisations. Moreover, the COs are not considered as partners on the same level by public authorities and media. Finally, there often is a lack of research and duplication of efforts by public authorities and COs.

The report concludes:

The COs in CESEE rely to a great degree on the participation of volunteers. Since resources are limited, this affects the scope of activity and influence.

So far, there exists very little research to inform policy. Another problem is that in some countries there exist too many consumer organisations, which thus compete for scarce funds.

Already limited public funding is being cut drastically.

Too many types of consumer magazines are published in too small a market.

Most organisations do not have professional "operating instruments".

The recommendations and next steps include:

- An ambitious global action plan with a long-term perspective.
- An approach in which the EU institutions, national governments, consumer organisations and media work together, according to BEUC's Warsaw 2011 Declaration.
- Raising awareness of public authorities as well as acknowledging consumers of their driving force for competitive markets and anchoring this in next consumer policy strategy
- Making adequate financial means available as well as targeting funds optimally.
- The report also suggests the set up of training programmes (including tailor-made and for public authorities and journalists), induction, exchange and mentoring programmes (more experienced countries can help less experienced ones).
- offer courses on how to do business planning (including loans, start-up support, exploration of a range of services).
- Finally, the report suggests optimising the benefits of using communication means (including strategies, using new media, free TV public advertising slots)

The Commission (Ms Jacqueline Minor, DG Health and Consumers) said that the Commission was very concerned about the development of consumer organisations, and that they will use their influence to persuade national governments to fund these organisations.

It is crucial to ensure that there is a strong independent consumer voice in the Members States.

The representatives of Bulgaria and Romania commented that the organisations of their countries do not receive enough governmental support.

The representative of Romania suggested raising awareness among the public.

The representative of Latvia informed that their consumer organisation does get valuable support by the Ministry of Economics.

The representative of Poland said that this research is valuable not only for Eastern-European countries but for western countries, too.

The representative of Austria said that this report would help the consumer movement through awareness raising and hopefully obtaining more funding.

The representative of Spain expressed sympathy towards Eastern-European countries, but said that in Spain the situation for consumer organisations was very grave, too.

The representative of Norway added that the Commission's "Consumer Empowerment Study" might offer some explanation why countries with well funded consumer organisations show more empowered consumers.

More points for information

7. ADR – results of the consultation, conclusions

The Commission (Isabelle Rouveure, DG SANCO B4) presented the results and conclusions of the PUBLIC CONSULTATION ON THE USE OF ALTERNATIVE DISPUTE RESOLUTION (ADR) AS A MEANS TO RESOLVE DISPUTES RELATED TO COMMERCIAL TRANSACTIONS AND PRACTICES IN THE EU SUMMARY OF THE RESPONSES RECEIVED, as published at http://ec.europa.eu/consumers/redress_cons/Feedback_Statement_Final.pdf

8. ADR in the energy sector

The Commission (Kyriakos Gialooglou, DG SANCO B6) gave a presentation on the Working Group on ADR in the Energy Area. The group's mission is to identify good practices in ADR in the energy sector and bring them forward as practices for other Member States to consider.

They do this by reflecting on criteria for simple, quick, transparent and effective dispute settlement procedures. Input by members led to a 1st draft of a paper (mapping exercise of energy ADR in the EU) to be revised during the summer.

10. Study of the EU market for electric and electronic consumer goods

The Commission (Paulina Gbur, DG SANCO B1) presented the results, analysis of prices and first policy conclusions of the Study of the EU market for electric and electronic consumer goods (see power point presentation already disseminated).

Points 9. and 11. were postponed to the following meeting on 30 November-1 December

Future agenda topics will include TACD funding, Sustainable Consumption and Production and a discussion on the meat market study (preliminary results, stakeholder consultation).

Please send suggestions and proposals before 31 October 2011.

Annex: Participants' List –Members, Alternates, Observers