Despite the rapid growth of e-commerce, most businesses in Malta do not yet make the most of the Digital Single Market. Only 22% of Maltese retailers sell online to consumers in other EU countries, while almost twice as many (40%) sell online in their own country. Differences in national contract laws are a significant obstacle for cross-border sales for three out of ten Maltese retailers (32%) currently selling online.

Consumers in Malta also miss out on the potential of broader choice of products and better prices. Only 39% of Maltese consumers buy online from other EU countries. Low confidence plays a key role: only 55% of Maltese consumers feel confident buying online from another EU country.
**What solution is the European Commission proposing?**

The Commission is proposing two Directives: one for digital content and another for goods. Together they will ensure that the same key contract law rules apply across the EU for online purchases of goods and the supply of digital content.

**Businesses**

**How will these Directives improve life for businesses in Malta?**

Businesses in Malta will be able to supply digital content and sell goods online to consumers throughout the EU, based on the same set of contract law rules. This will increase legal certainty and create a business friendly environment.

When supplying digital content, Maltese businesses will avoid the cost of legal fragmentation which is emerging due to the lack of EU wide rules and the fact that some Member States are starting to put into place specific national legislations. When selling goods, businesses will save the costs of adapting to the contract law rules of every Member State they wish to sell in.

**Consumers**

**How will these Directives improve life for consumers in Malta?**

Consumers in Malta will have access to offers from more traders across the EU and will therefore benefit from a wider choice of products, at more competitive prices.

Consumers will have specific rights with a high level of protection when accessing digital content and buying goods online. For digital content, the rules will apply regardless of whether consumers pay with money or give their personal data to the supplier in order to access the content (e.g. by simply registering).

Three out of ten consumers’ top concerns about buying online from other EU countries are related to key contract law rights, such as non-delivery of their order, delivery of a wrong or damaged product, or repair and replacement of a faulty product.

At least **70 million consumers in the EU have experienced one or more problems** with just four popular types of digital content (music, anti-virus, games and cloud storage) over the last 12 months. However, only 10% of consumers experiencing problems received remedies. As a result of those unresolved problems, consumers in the EU have suffered a financial and non-financial detriment estimated in the range of €9-11 billion.
How will these Directives contribute to economic growth?

Removing contract law-related obstacles will facilitate cross-border trade.

The increased economic activity is expected to increase EU GDP by €4 billion from its current level.

Malta’s GDP in particular is expected to increase by about €4 million.

Increased competition will drive consumer prices down throughout the EU. This will lead to additional consumer welfare and is estimated to increase household consumption in the EU by €18 billion from its current level.

In Malta, the decrease of consumer prices is estimated to increase household consumption by €5 million.
SOURCES:

- Flash Eurobarometer 396 ‘Retailers’ attitudes towards cross-border trade and consumer protection’ (2015)
- Flash Eurobarometer 413 ‘Companies engaged in online activities’ (2015)
- Eurostat Survey on Internet purchases by individuals (2015)
- Eurobarometer 397 ‘Consumer attitudes towards cross-border trade and consumer protection’ (2014)
- ‘Consumer surveys identifying the main cross-border obstacles to the Digital Single Market and where they matter most’, GfK (2015)

Věra Jourová, Commissioner for Justice, Consumers and Gender Equality #VeraJourova

Directorate-General for Justice and Consumers #EU_consumer EUJustice

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