

UNICE

THE VOICE OF BUSINESS IN EUROPE



Business and consumers



Working

together

for the internal market



www.unice.org



Business and consumers live and work in an evolving internal market

On March 15, Europe celebrates European Consumer Day. UNICE wishes to mark the occasion with the publication of this brochure that highlights the commitment of business to creation of a European Union that meets consumer needs.

For UNICE, the success of the internal market and the overall competitiveness of the EU economy depend on the confidence of its main two players: business and consumers.

The internal market has already delivered a lot for companies and consumers in Europe, but the work is not finished. Its completion and

consolidation is an ongoing endeavour which requires combined efforts from public authorities as well as from business and consumers, especially in the light of the increased opportunities brought by its single currency and the upcoming enlargement.

Swift penetration of new technologies into our daily lives, easier access to information, greater choice of

products and services, more transparency and better consumer education/information have also empowered consumers in the market and increased their expectations.

To meet these challenges, companies are committed to work more closely with consumers and respond with further innovation in products and services.

Looking to the future of consumer policy in Europe, it is crucial to ensure a predictable and simplified regulatory environment coupled with effective enforcement. In that spirit, companies want to continue bringing their experience into the rule-making process and to engage in more regular dialogue with regulators and consumer organisations.

To that end, and in order to unleash the full potential of the internal market, UNICE is committed to continue its active role in discussions on consumer policy with the objective of achieving a high level of consumer protection while supporting entrepreneurship and growth in the EU for the benefit of all.

Basic consumer rights

- ◆ Protection of health and safety
- ◆ Protection of financial interests
- ◆ Protection of legal interests
- ◆ Representation and participation
- ◆ Information and education

"Companies support a balanced consumer protection policy that can help promote entrepreneurship, growth and prosperity in Europe."

**Georges Jacobs,
President of UNICE**

How do companies contribute to consumer protection?

Companies need to be competitive, first to stay in business and then to be able to grow and develop. Competitiveness of European companies and a high level of consumer protection are fully compatible. Enhanced competitiveness and adequate consumer protection are complementary to help achieve UNICE's general goals of promoting entrepreneurship while encouraging sustainable development.

European companies are fully committed to

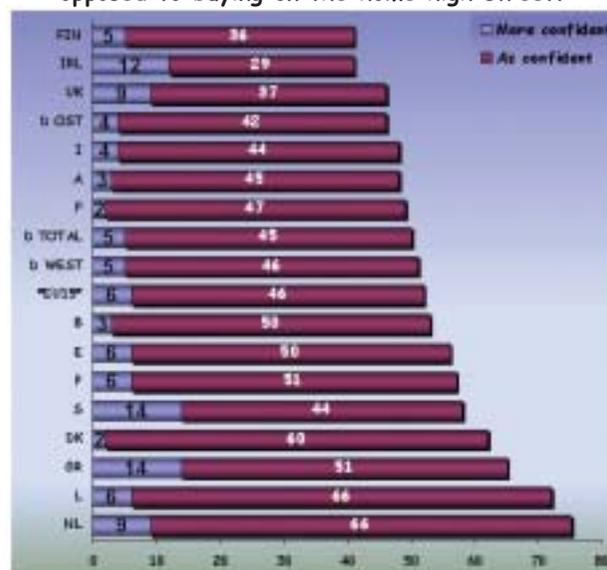
- ◆ placing safe products and services in the market
- ◆ providing relevant and truthful information on products and services
- ◆ respecting quality and technical requirements
- ◆ providing adequate means to handle complaints and ensure redress
- ◆ promoting out-of-court dispute settlement mechanisms
- ◆ promoting and enhancing dialogue and cooperation with consumer representatives
- ◆ promoting consumer education and information
- ◆ promoting innovation and research

Business commitment to consumer protection and satisfaction

CONSUMER CONFIDENCE

A key for success in business is customer satisfaction. Vision, efficient processes, quality production and marketing are tailored to the needs of consumers who appreciate the product or service and generate demand. New technologies have also helped to make commercial transactions easier and faster. Surveys show that European consumers today enjoy a wider choice with increased price transparency and are generally satisfied. They increasingly appreciate efforts devoted to improving the conditions surrounding their purchasing activities.

How confident are consumers buying abroad as opposed to buying on the home high street?



Source: European Commission survey, November 2002

PRODUCT SAFETY

Offering safe products and services is not only a legal obligation but also an objective of responsible businesses. UNICE participated actively in the revision of the general product safety directive. Companies also recognise the need to respond rapidly and effectively should an issue arise. This is why UNICE is taking part in an EU Commission project for production of an EU-wide guide on product recall. This is being done in partnership with representatives of national enforcement authorities, retailers and consumers.

Business also plays an important role in the standardisation process which involves all interested parties and aims to help compliance with health and safety requirements laid down in EU directives.

"Consumer trust in cross-border shopping is on the rise - this is encouraging for companies that have travelled a long way to improve their outputs and put higher quality products and services on the market."

**Erik Jonnaert, Chairman of UNICE
"Consumer/Marketing" working group**

DIALOGUE WITH CONSUMERS

UNICE promotes more and better dialogue with consumer organisations. UNICE particularly supports development of informal dialogue that serves to enhance mutual understanding and to avoid issues before they escalate into problems.

However, UNICE recognises that care needs to be taken with formal or institutional dialogue. There is, as yet, little established culture of dialogue between consumers and business representatives at European level. This calls for a pragmatic approach allowing gradual progress instead of trying to institutionalise it prematurely and force a dialogue between stakeholders who are not fully equipped for it.

Prior to such formalisation, fundamental aspects, such as democratic legitimacy, representativeness, accountability, independence and allocation of adequate resources, need to be carefully considered, to assess fully whether the appropriate conditions for such a dialogue are in place.

Efforts by all parties should aim at facilitating and promoting voluntary and informal dialogue which will pave the way for a more regular and organised dialogue between stakeholders.

"eConfidence initiative": a novel and good example of business and consumer interaction

UNICE and BEUC* jointly contributed to the "eConfidence initiative" launched by the Commission in May 2000 in the wake of the Lisbon Council meeting on 22 and 23 March 2000. The Commission recommendation on consumer confidence in e-commerce to be produced during 2003 has been inspired by this joint work.

In the fast-changing environment of the information society, instruments that are flexible, easily adaptable to new circumstances and user-friendly are key for smooth development of this area as opposed to traditional legislation.

"This agreement between consumer and business representatives is a breakthrough in enabling consumers to shop online with confidence. It shows how consumers and businesses can work together to achieve common goals."

Commissioner David Byrne

Other partnerships

UNICE maintains close contacts with the EU Institutions. For instance, it participates in discussions with Parliamentarians in the Consumer Forum Intergroup in addition to its regular contacts on legislative dossiers.

UNICE is also engaged in discussions with other business stakeholders at European and international level as well as with NGOs, especially consumer associations.

What does dialogue with consumer organisations offer?

- ◆ Mutual understanding of positions and productive debate
- ◆ Reflection and substantiation of views, reducing confrontation
- ◆ Sharing of expertise and information
- ◆ Identification of priorities and problems
- ◆ Space and conditions for further dialogue



Presentation of the UNICE/BEUC contribution to the Commission

Erik Jonnaert
UNICE

David Byrne
European Commission

Jim Murray
BEUC

* BEUC (European Consumers' Organisation)



UNICE RECOMMENDATIONS for a Balanced EU consumer policy

Regulatory reform

Any new proposal for consumer protection legislation should be sufficiently justified and pursue the following objectives laid down in the Commission's better regulation agenda:

Simplification of rules: simplicity and less red tape benefit all. UNICE supports the objective of a 25% reduction in the legislative arsenal by 2005.

Enhanced legal certainty: companies and consumers need clear rules which ensure a level playing-field.

Even interpretation and enforcement: common rules and principles that are divergently applied are highly disruptive. This point is of paramount importance in an enlarging EU.

New rules are only justified when solid and robust evidence for their need is provided and only if existing laws are proven to be unable to meet the objectives sought. They should be accompanied by an impact assessment which takes account of consequences for business and consumers.

Dialogue with stakeholders

Public authorities should also facilitate and promote the creation of a culture of dialogue between business and consumer organisations at EU level. Myriad forms could be explored: a consumer/business exchange day, business involvement in existing consumer fora, workshops, expert groups, etc.

Promotion of alternatives to legislation

Self-regulation and co-regulation can offer a suitable alternative to traditional legislation. Codes of conduct are valuable and innovative means to enhance responsible business self-discipline and to offer added value for consumers. They should remain voluntary, flexible, transparent and business-driven.

Out-of-court dispute resolution mechanisms

Initiatives like the European Extra-judicial Network EEJ-Net or the FIN-Net in the area of financial services should be consolidated and widely publicised.

Consumer information and education

In addition to initiatives by professionals and consumer organisations, public authorities should invest more in consumer education from school onwards using modern technology in order to help consumers know their rights and responsibilities better. Well-informed consumers are good news for companies.

Consumer data, statistics and knowledge

More efforts should be made to improve collection and use of meaningful information on consumer patterns. Cooperation between existing sources of information and exchange of experiences should be promoted.

Clear regulatory framework for product safety

Priority should be given to ensuring progress in the follow-up work to facilitate even enforcement and understanding of the revised general product safety directive before it enters into force.

For detailed position papers and documents, visit our website: www.unice.org

UNICE

THE VOICE OF BUSINESS IN EUROPE

UNICE, as the voice of more than 16 million companies in Europe, and the umbrella association representing 34 central industrial and employers' federations from 27 countries, is keen to make the following contribution to the success and the improvement of an internal market in which consumers are adequately protected and confident.



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