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**DUTCH PRESIDENCY CONFERENCE ON EU CONSUMER  
POLICY “MAKING IT WORK!”**

**20-21 OCTOBER 2004, AMSTERDAM**

SESSION: “HOW CAN WE MAKE THE INTERNAL MARKET WORK FOR  
THE EUROPEAN CONSUMER?”

Ladies and Gentlemen:

I am very pleased to be here today to discuss matters that affect each and every one of us in our daily lives as consumers.

First of all, I would like to thank the Dutch Presidency and in particular State Secretary Ms Karien van Gennip for inviting UNICE to take part of the event on behalf of European business and for organising it with the focus on a topical area like consumers' experience and role in the internal market and what is still to be done to make it work better for consumers. This is an important area which brings to life the new Commission's objective of communicating Europe better to citizens.

It is also particularly relevant at this time when the Union has just become an area of over 450 million inhabitants and the signature of the new Constitution is so near.

The session that I have the pleasure to chair deals with the message that needs to be passed to consumers about the internal market. What should this borderless market mean for consumers? Is that market trustworthy? What are the benefits? What should they be on guard against? In sum, how can we make consumers feel more confident about buying from foreign sellers?

Our task today is to try to find some answers to those questions and help with our ideas and recommendations to turn the internal market into a reality for all the citizens in Europe.

**- THE INTERNAL MARKET EXISTS FOR ALL BUT CONSUMER TRUST IS WEAK**

The Internal Market exists and is out there for all and has already brought many advantages to business and consumers.

There are reports by the Commission<sup>2</sup> showing us that those advantages are remarkable and have had a positive impact on product availability, product quality, price convergence and increased competition in areas like transportation, telecommunications, banking or insurance services.

Despite this promising scenario, not many consumers feel confident about cross-border shopping. Even amongst those who feel sufficiently protected and confident about it, they still prefer to buy from the local seller down the street.

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<sup>1</sup> Union of Industrial and Employers' Confederations of Europe ([www.unice.org](http://www.unice.org)). Active in European affairs since 1958, UNICE represents more than 20 million small, medium and large companies in Europe. UNICE's members are 36 central industrial and employers federations from 30 countries.

<sup>2</sup> Data available in the Conference's background documents.

Available data seem to show as if the internal market mostly worked fully for those consumers who live near other national borders, those who are lucky to travel abroad or those who are good at Internet and can safely find their way through in the online market.

Consumers are not playing their full part in the market; they are not enjoying the potential that the market has to offer them. They neither think nor act like European buyers or players yet.

Why?:

- convenience is a decisive factor (consumers naturally prefer bricks and mortar local sellers and shops)
- lack of information about consumers' rights and responsibilities
- language/travel distance problems/costs
- insufficient education from early school
- uneven enforcement of rules
- slow and costly access to justice
- unsatisfactory regulatory protection
- personal choice/predisposition to buy from known local traders as opposed to distance selling alternatives (internet, catalogues, etc)
- natural mistrust/lack of personal knowledge of foreign traders
- variety of prices/product quality/after-sales services
- tax/administrative burden

#### **- NEED TO BUILD CONSUMER CONFIDENCE IN THE INTERNAL MARKET**

Consumers are important economic players in the market and continue to be a central driving factor in companies' overall strategies and the overall economy. Final consumption expenditure amounts to over half of EU GDP.

Companies need consumers to survive and evolve, and it is in their best interest that the market works for consumers as well as it does for businesses.

Boosting consumer confidence in the market can also be an enabler to improve the internal market.

This is why promotion of a sound and balanced consumer protection policy in the EU is important and is also high on the agenda of the business community.

Any reform or action in the field of consumer protection should aim at injecting the necessary impetus to enhance European competitiveness and create a better environment for consumers to buy in, with enhanced competition, greater opportunities, more variety of products, better prices, more job creation and ultimately more growth.

UNICE, the umbrella European business organisation, has recently presented a document called "Business vision for Europe: growth, jobs and prosperity ...for our future", which describes its priorities for the new political term including proposals for a better EU consumer policy. Also and more specifically, UNICE issued "Business and consumers: working together for the internal market" that highlights the commitment of business to consumer protection and outlines recommendations for the future of this policy. You can find copies of both publications beside the registration desk of the conference.

#### **- EUROPEAN BUSINESS'S RECOMMENDATIONS TO CLOSE THE CONSUMER CONFIDENCE GAP**

Inspiring trust in the market is a key objective that should be attained thanks to the collective efforts of the different players in society: public authorities, consumers and business.

I would like to present to you today the areas where UNICE and its national members believe that efforts should concentrate:

A. Better consumer information and awareness: it is essential that consumers know their rights when they shop across borders, creation of a culture of trust and not mistrust of the internal market. Creating responsible and well-informed consumers is good news for the market and the economy.

Who should inform:

1. Public authorities: at local, regional, national and European level (helplines, websites, etc)
2. Consumer associations at all levels
3. Business: more information, more investment in trust-building tools (security, after-sales services, hot-lines, codes of conduct, out-of-court dispute resolution mechanisms, etc)
4. Partnerships between public authorities and economic players.

B. Simpler and clearer regulatory environment: that facilitates cross-border advertising and marketing activities through:

- More harmonised and simplified rules with the aim of:
  - Achieving increased legal certainty and a level playing-field
  - Ensuring a common level of consumer protection throughout the EU
- Impact analysis should always precede legislative proposals
- Correct and well-timed transposition of EU laws
- More recourse to « soft law » (co- and self-regulation).

C. Effective enforcement: improve solution of problems arising from cross-border transactions/infringement of consumer protection rules through unbureaucratic means.

D. Consumer education: from an early stage, consumer policy (right and responsibilities as consumers) should be integrated in education systems.

E. Improved collection of consumer data, statistics and knowledge: improve collection and use of meaningful information on consumer patterns. Policy proposals should be based on accurate and representative data.

F. Promotion of dialogue between consumers and business: invest more in a culture of dialogue.

Better and more organised dialogue can contribute to a better policy-making and inspire more consumer confidence in the market. UNICE has been and remains an active promoter of this dialogue.

There should be more efforts to strengthen informal dialogue between business and consumers at all levels:

- at a very local level (consumer-company through effective consumer services offered by providers of products and services)
- but also at national and European level by having representatives of consumers and business getting together to identify real issues and seeking solutions case by case. We need less rhetoric and more hands-on solutions.

Good recent example: EU guide on product recall

G. Better access to justice and swift redress: further promotion and awareness-raising of existing networks like EEJ-net or FIN-net.

We hope these ideas can serve as a good starting point for further discussions with participants from the audience. You have the floor now, I look forward to hearing your reactions and proposals.

Many thanks for your attention.

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