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INTERNATIONAL PRODUCT SAFETY WEEK – ICPHSO SYMPOSIUM 16 OCTOBER 2012

CHARLEMAGNE BUILDING, RUE DE LA LOI 170, BRUSSELS

**OPENING PLENARY SESSION – THE NEED FOR INTERNATIONAL
COLLABORATION**

**ADDRESS BY PHILIPPE DE BUCK,
DIRECTOR GENERAL OF BUSINESSEUROPE**

Commissioner, Ladies and Gentlemen

Thank you for inviting me to speak here at this joint event by the International Consumer Product Health and Safety Organisation and the Directorate General for Health and Consumers (SANCO).

I am very pleased to participate for the first time at the International Product Safety week hosted by the European Commission, of which this event is an important part.

As you know, this International Product Safety Week coincides with the Single Market Week, which is organised on the occasion of the 20th anniversary of the single market.

The single market is one of the key elements for renewed growth and job creation, and a primary tool to get Europe out of the crisis and increase its global competitiveness. It goes without saying that the free movement of safe products throughout Europe is a core element of the single market that we envisage.

The importance of product safety for the single market is also reflected in the Single Market Act 2 that was published two weeks ago (3 October). One of the 12 key actions of the Single Market Act 2 to boost the single market is precisely to “improve the safety of products circulating in the EU through better coherence and enforcement of product safety rules.” BUSINESSEUROPE very much supports this action and welcomes the Commission’s determination to make further improvements in this area.



By the way, the importance of the free movement of products is also reflected in BUSINESSEUROPE's brochure "Single Market: the way forward", which we have just published on the occasion of the Single Markets 20th anniversary. [SHOW BROCHURE]

The brochure shows the Single Market's benefits and achievement, and is also pointing to remaining challenges for companies, illustrated by concrete company cases. The brochure shows that we have challenges related to national regulations that are obstacles to the free movement of goods. When we will look at product safety from a global perspective, we should remember that even within the Single Market it is difficult to avoid national technical regulations.

If you are interested, you can find a copy of this brochure at the entrance.

Let me stress once again that *product safety is good business policy*.

General trust in products facilitates trade and consumer choice: without product safety, people would only buy from companies they know well. It would be a tremendous reduction of trade flows. On average, people would pay higher prices for poorer products.

Product safety leads to less harm to citizens and assets; it leads to people feeling secure and content. Product safety improves the reputations of companies and strengthens brand names.

A minimum required safety level avoids a race to the bottom at the supply side. Bona fide companies wish to meet customer expectations and to avoid harm to citizens. This they do both for ethical reasons and for solid business reasons.

A minimum required product safety level also protects companies from rogue competitors who exploit the fact that consumers cannot always tell a safe from an unsafe product.

How can we so improve product safety? My message to you today is that product safety can only be *improved by proper surveillance and enforcement*. Well-designed regulations and directives are a good start, but we need stricter and more harmonised implementation and enforcement of the legislation.

Any lack of enforcement of important consumer safety rules sets a very dangerous precedent. It provides a clear economic incentive for companies to defy consumer safety rules for economic advantage. This is deeply unfair to the companies that follow the rules and it works counter to the intention of the regulations.

Let me now turn to how important it is that regulations in the field of product safety are proportional and harmonised at a *global level*.

Product safety is a global concern that can only be ensured with cooperation between regions and countries.



Global trade is on the rise. This means that a global division of labour is taking place. Toys and el-products are examples of products that are produced in only a few countries and then exported globally.

Let me take the example of toys. Even though children have the same need for protection throughout the world, toys are not produced after international standards. Today toys that live up to high European standards need to be tested again, for example in the USA and Japan. The toys are tested for the same risks, but with different testing methods. If a toy had been produced after international standards, it could be exported globally without having to be tested in a number of countries.

E-commerce is an example of another phenomenon that makes global cooperation necessary. Every small item can be sold via the internet and shipped globally all over the world. Counterfeit products are easily sold via e-commerce.

We need international standards and common legislative aims. But in order to achieve this, standardisation organisations (international, regional and local) and legislators will need to give up some of their sovereign decision making competences.

This is very hard to achieve. At the end of the day, it is a question of will. We must remind standardisation organizations and legislators as often as we can about the importance of having international standards and the importance of having common aims in the legislation.

Good market surveillance requires effectiveness. It also requires the EU to act as *One Europe* towards trade partners. It is necessary with equivalent enforcement actions in all Member States. To misquote Henry Kissinger: Who should trade partners call to speak with EU market authorities?

Strong cooperation is needed – both between market surveillance authorities and customs authorities in the EU and with market authorities in trade partner countries. It is necessary to set up efficient cross-border cooperation – both bilateral and multilateral – and ensure a proper exchange of information.

It is important to have close cooperation with trade partners to organise surveillance along the supply, production and distribution chains. This is necessary in order to address problems at as early a stage as possible.

Let me illustrate with the example of Christmas lights.

Christmas lights are strings of tiny lamps sold every year in masses at incredibly low prices in November-December. They have a main unit with power plug and transformer, usually in one “block”. This “block” is often of poor quality. Many of them are known to have caused small explosions, electrical shocks or fire. The problem is that Christmas lights are seasonal products so it is impossible for surveillance authorities to respond in short enough time once the products enter Europe or are made available on the market. To be effective, one should inspect either when the Christmas lights leave China (where most are made) or even better in the factories.



The example of Christmas lights is just one example of many seasonal products with similar challenges. Other examples are electrical barbeque grills and gardening tools in the summer seasons.

Let me finish with an idea which BUSINESSEUROPE advocates. We envisage a pan-European market surveillance system with centres of excellence under shared responsibility of the member states, each of which focuses on a certain group of products on behalf of all member states together.

Conclusions

Ladies and Gentlemen,

BUSINESSEUROPE welcomes the increased focus on governance in the Single Market and supports the objective to make the principles and legislation we already have function better in practice.

But product safety is a global concern and global cooperation is necessary. Regulations in the field of product safety should be proportional and harmonised at a *global level*. We need to establish common, global regulatory objectives. Only in this way can international standards be developed.

Finally, I would like to extend my compliments to the good work which is being done on product safety in the ICPHSO.

Thank you once again for inviting me to speak to you, and thank you for your attention.

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