

Opening Speech

European Consumer Day
Brussels 13.3.2009

Ladies and Gentlemen,

I thank you for allowing me the opportunity to speak at this conference, which is being held on the occasion of the 10th European Consumer Day, organised by the European Economic and Social Committee.

No better subject could have been chosen as the topic of today's conference than the draft Consumer Rights Directive. This important legislative proposal will not only affect consumers, as its title implies, but will also impact traders and through them the functioning of the EU's internal market.

I agree with the Commissioner that the present economic crisis further increases the pressure on us to reinforce consumer confidence in a functioning internal market - and this is one of the objectives of the draft directive. However, it has another, equally important objective: to remove any remaining barriers from the internal retail market, thereby reducing the red tape hampering European traders. It also aims to simplify the existing legislation and to update it to reflect developed market conditions. From what I have already said it is obvious that this proposal falls under the motto of the Czech presidency of a "Europe without Barriers".

In economic terms, consumers represent enormous potential, affecting all areas of business within the internal market. Consumer satisfaction and confidence and well-founded conditions for their protection are also the motor that drives trade. Provided these conditions are comparable in all the Member States, entrepreneurs will find it easier to do business in other countries. In the context of our present e-society, this is now more important than ever before.

And what can we expect to result from this? Stronger competition within the single internal market, more competitive European traders, a wider selection of reasonably priced, high-quality goods and services, in other words greater consumer welfare.

However, we must ensure that any measures adopted to ensure better protection for consumers are fair. This does not only apply to national measures, but also to those adopted at EU level. We should not underestimate consumers, but we must ensure that they receive sufficient information concerning their rights, in other words, equip them to be equal partners for entrepreneurs.

The draft directive will contribute to advancing this objective. The proposal promises to do away with the current regulatory fragmentation, meaning that consumers will have easy access to information on their rights in other member states that they visit and where they wish to purchase goods or use services offered by local entrepreneurs. They will be assured of the same level of protection as in their own country.

Until now I have tended to discuss strengthening consumer confidence in the internal market. I would now like to focus on strengthening the confidence of traders and encouraging them to sell to consumers from other member states. Without this, there will be no expansion of the range of products on offer to consumers and prices will probably not fall.

Monitoring activities conducted by the European Commission, included in the second Consumer Market Scoreboard report, make it clear that regulatory fragmentation between member states is one of the main obstacles to cross-border trade. The report shows that harmonisation of consumer protection regulations would more than double the number of traders operating in foreign EU states. This would mean that almost half of all European traders would also focus their activities on other countries: and this is a figure worthy of our attention!

Harmonisation of the regulatory environment would not only afford traders greater legal security, but would also reduce the costs they must currently incur to protect their rights in countries where they wish to operate.

This target of full harmonisation has been selected as a “cure” for the existing fragmentation, in order to strengthen the internal market. And it is also full harmonisation that has raised all the doubts with which we are confronted on a daily basis. On the one hand there are fears that this will fail to ensure a high level of consumer protection and that the level of protection would be lower for certain member states. These “threats” are generally pointed to by consumer representatives.

On the other hand we have the views expressed by traders, who support full harmonisation for the reasons outlined above, because it removes barriers to trade and reduces the costs of cross-border trading. The proposal makes the legislation simpler and more transparent, while at the same time providing modern and flexible rights to cope with fast-growing markets and a developing internet environment.

Where do the Czech presidency’s ambitions lie in this area? It is obvious that, when viewed objectively, it would be unrealistic to assume that we can successfully complete negotiations on the proposal during our presidency – the draft only entered the EU Council and Parliament approval process in October last year, and the European Parliamentary elections are fast approaching. It is also a sensitive subject, with conflicting views from individuals and member states, which have differing approaches to the desired level of consumer protection.

Despite this, we aim to achieve maximum progress in steering the draft directive through the various Council working bodies. We anticipate that the first round of working group discussions will be completed by the end of March and, following this, we will immediately initiate another round. At this point we will

submit the amended text, which will make provision for all the opinions already received from the member states. As is clear from previous debates, it is not and will not be easy to find a simple solution and we will therefore prepare a number of different options for certain provisions.

As the presiding country we are open to any suggestions and are prepared to enter into detailed discussions of all the proposals and comments submitted. Our objective is to find a consensual and balanced solution, and we will work to achieve the best possible compromise between the interests of the consumer on the one hand and the interests of traders on the other. We also intend to continue these efforts after the end of our presidency.

I am convinced that today's conference will help the on-going discussions on the draft directive on consumer rights to move forward. I consider it to be an important legal tool which should be adopted as soon as possible. I believe that an open exchange of opinions will contribute to removing any myths and preconceptions and will move consumers and traders a stage closer together. Their positions do not conflict, as many people believed until recently, but are complementary and their interests are mutual. The welfare of each depends on the welfare of the other.

The draft directive on consumer rights aims to support the welfare of both, as well as the proper functioning of the internal market. We should therefore use this opportunity to achieve further progress at EU level through its adoption and the destruction of national consumer protection stereotypes. The results of your discussions will be taken into consideration by the Czech presidency in its future work and will also influence the debate that will continue under the next presidency.

Thank you for your attention.