



5 March 2007

**NOTE FOR MEGLENA KUNEVA,**

**EUROPEAN COMMISSIONER FOR CONSUMERS**

**MEETING WITH A BUSINESSEUROPE DELEGATION:**

**ERNEST-ANTOINE SEILLIÈRE, PRESIDENT**

**PHILIPPE DE BUCK, SECRETARY GENERAL**

**ERIK JONNAERT, CHAIRMAN WORKING GROUP ON CONSUMER-MARKETING**

**JÉRÔME CHAUVIN, DIRECTOR LEGAL AFFAIRS DEPARTMENT**

### **BUSINESSEUROPE'S OVERALL PRIORITIES**

The European Union today gathers 27 countries and around 500 million citizens. It has secured democracy and peace and fostered growth, employment and living standards through creation of an internal market where persons, services, goods and capital can move freely, political and economic integration, a common currency, international standing and a large number of common policies. Bulgaria's and Romania's accession to the EU was supported by BUSINESSEUROPE.

But Europe is still confronted with challenges from increasing globalisation, growing national protectionism and fast technological changes that require concrete adjustments.

Our six strategic priorities to enable a competitive Europe to increase growth and jobs, and take its place in a globalising world are:

1. Implement the reforms for growth and jobs
2. Integrate the European market
3. Govern the EU efficiently
4. Fight national protectionism
5. Take advantage of the opportunities of enlargement
6. Reform European social systems to make them sustainable.

In this context, consumer policy is important for a well-functioning Internal Market. A strong economy and competitive companies are highly dependent on consumer confidence and satisfaction.

A sound and balanced consumer policy that ensures an adequate high level of consumer protection and promotes competitiveness of companies can also help to reap the full potential of the Internal Market.

BUSINESSEUROPE welcomes debate on review of the consumer acquis seeking to adapt it to the new context and reduce national regulatory fragmentation.



**Question for Commissioner Kuneva:**

The Commission's revised Single Market Policy seeks to emphasise the citizens' dimension of the single market and the benefits for consumers, how do you envisage this approach in practice?

**BETTER REGULATION IN THE CONSUMER AREA**

Better regulation is a crucial tool for promoting competitiveness and good governance.

Too much red tape is one of the most common complaints from businesses and the cumulative effect of many rules and formalities is to slow down business responsiveness, divert resources away from productive investments, and discourage entrepreneurship.

The better regulation agenda must be implemented in practice to be credible. The review of the consumer acquis is an important test case.

We expect that sufficient time will be given for public debate with all interested parties and that any new proposal will be accompanied by an impact assessment. Also, concrete plans regarding reduction of administrative costs and simplification should be provided.

There should also be a discussion on the use of alternatives to legislation (self- and co-regulation) and how to have better and more regular dialogue between Commission and business and consumers stakeholders.

**Question for Commissioner Kuneva:**

In order to enhance stakeholder dialogue and improve policy-making, the Commission should facilitate more regular discussions between consumers and business on issues of common concern. Would DG Sanco be willing to organise and participate in informal and regular dialogue with stakeholders (e.g. Sanco-BUSINESSEUROPE-BEUC)?

**REVIEW OF EU CONSUMER PROTECTION LEGISLATION**

It must respect the principles of the EU Better Regulation Agenda and pursue simplification and clarification of existing rules.

It must ensure a level playing-field and avoid gold-plating. Full harmonisation should be sought when appropriate for striking the right balance between the competitiveness of companies and an appropriate common level of consumer protection.

It should be proportionate, practical and targeted; and review proposals must be based on real evidence of need for better functioning of the internal market. It should be backed up by impact assessments based on a competitiveness test.



Judicial solutions for enforcement of consumer powers (class action, etc.) must be treated with extreme care. We are in favour of improving and reinforcing non-judicial mechanisms such as arbitration, mediation, complaint-handling and information schemes (SOLVIT, etc.) but seriously concerned about introduction of new (US-style) class tools.

**Question for commissioner Kuneva:**

BUSINESSEUROPE supports Commission's preference for full harmonisation, however opposition is expected from consumer organisations and some Member States. How does the Commission envisage gaining enough support? Would the Commission's review plans continue if the angle was minimum harmonisation?

**EU CONTRACT LAW: CREATION OF THE "COMMON FRAME OF REFERENCE"**

We support the European Commission's objective of increasing the overall coherence of European contract law as a contribution to a fully operational internal market and in the spirit of the better regulation agenda.

However, we strongly oppose developing a European civil code or any binding instrument. It should be a handbook or toolbox providing elements such as general principles, definitions and model rules of contract law that could be of assistance when revising or elaborating new legislation containing contract law provisions.

Our major concerns about this ambitious project are:

1. It is led by academics, often ignoring the real needs of the market. There is not yet coherence between the technical work and the political agenda. The Commission must set clear objectives and priorities. Proper coordination between the DGs concerned must also be ensured.
2. The link with the consumer acquis review is not clear.
3. New focus on consumer issues is welcome but implications in the area of business-to-business contracts should not be underestimated. Freedom of contract must be fully respected.
4. Use and legal status of the CFR remains unclear: We are firmly opposed to a European civil code or any binding instrument.

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