




E-commerce key to completing internal market, says Kuneva

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Barriers to shopping online across borders must be eliminated if the EU's internal market is to be completed, Consumer Affairs Commissioner Meglena Kuneva said yesterday (5 November), presenting her vision for the future European consumer policy.

"We need to find the missing links in the internal market to make it more of a reality for citizens, and this will happen online," **Kuneva told a debate organised by Brussels think-tank the Lisbon Council**, expressing hope that a new EU directive on cross-border e-commerce would improve the situation.

"The screen is the market for citizens, but only 7% shop across borders. Attempts by consumers to buy across borders fail six times out of 10, and eight times out of 10 for electronic goods," the commissioner said, describing this as "a missed opportunity for consumers and businesses alike".

The Bulgarian was speaking at the launch of her [blueprint](#)  for consumer policy in Europe, in which she argues that "consumer interests and concerns need to be appropriately articulated in the regulatory process" and that the next EU executive "must strive to develop a vibrant and innovative market in which citizens are keen to participate".

"If consumers are represented in policymaking by high-level and competent people, we can make legislation that protects them," Kuneva told participants.

"Consumers are best-placed to discover the problems of the market, and we need to empower them. The wind is blowing in consumers' direction," she said, adding: "We can't just create this agenda ourselves, but the internal market itself is creating it."

Former European commissioner Mario Monti was less optimistic, however. "I wish Ms. Kuneva was entirely right, but I'm concerned that efforts made in recent years to make consumer welfare the guiding star of policymaking are under threat in Europe," he said.

"There are voices saying that a competitive market and strong consumer protection policies are luxuries that cannot be afforded at a time of crisis," the Bocconi University president warned.

Consumer policy can 're-launch internal market'

Monti has been asked by European Commission President José Manuel Barroso to draw up a report on re-launching the EU internal market.

"Consumer-oriented policy should drive the re-launch of the internal market. Too often there are perceived conflicts between the internal market, competition policy and consumer policy," he said.

The Italian spoke out against the perception that market-friendly means business-friendly, and consumer-friendly means anti-market. "Commissioner Kuneva is succeeding in bringing together internal market, competition and consumer policy," he said.

Monti warned that rolling back the single market would have "dramatic consequences," particularly for employment and competitiveness, but also for European integration itself.

"The whole European project is built on the notion of market integration," he recalled, insisting that the imminent entry into force of the Treaty of Lisbon "calls for a fresh look at how market and social priorities can be integrated".

Mark McGann, CEO of consultancy Weber Shandwick, echoed this view last month when he suggested that President Barroso has now realised that the EU is "a community of consumers" ([EurActiv 12/10/09](#)).

Meanwhile, an EU report published last month ([EurActiv 23/10/09](#)) found that online cross-border shopping is still too burdensome for both consumers and traders alike.

60% of online purchases failed in an EU-backed test of 11,000 separate orders on cameras, CDs, books and clothes, revealed the report, which also showed that cross-border sales stayed flat at 7% while overall online sales rose from 27% to 33% in two years (2006-2008).

"Collection of personal data is taking place on a massive and unprecedented scale, often without the knowledge of the consumer," Kuneva said yesterday, announcing that more would be added that more would be done to establish fair market access online and ensure that companies use customers' personal data fairly.

The commissioner also expressed her wish to "shift responsibility to consumers for their own choices" in taking on financial risk, but stressed the need "to make sure they are protected".

"We'd never allow consumers to buy dangerous food or exploding hairdryers, so why do we allow them to expose themselves to catastrophic risk in retail financial services?," she said.

The European Parliament will publish reports on consumer rights and consumer safety early in the New Year.

Positions:

"European consumers should be encouraged to further inject dynamism into commerce by promoting or even implementing innovation," wrote **EU Consumer Affairs Commissioner Meglena Kuneva** in a recent policy brief for the Lisbon Council think-tank.

"We share the Commission's aim of making the EU a tangible reality for citizens' daily lives by protecting their consumer rights. It is essential for consumers and business alike that customers are able to shop safely across borders," **Finnish centre-right MEP Eija-Riitta Korhola (EPP)** told yesterday's debate.

"We have a dream of creating harmonised consumer protection across all EU member states. In Finland, I come from a country with a very high level of consumer protection, so there is a certain amount of reluctance to harmonise," Korhola said.

"Completing the single market is a never-ending story, because new threats will emerge before old ones have been addressed," according to **former European commissioner Mario Monti**, who has been asked by Commission President José Manuel Barroso to draw up a report on the single market's future.

"There is the perception that if you are market-friendly, you are business-friendly, and if you are consumer-friendly, you are against the market. This view is wrong," Monti said, warning that "moving away from protecting consumers will worsen the crisis, not help us emerge from it".

"It should be easy to get the best consumer experiences from one place to another in the EU, but for that, we can't have 27 different regulatory environments for businesses to face," said **Geert Van Kuyck**, chief marketing officer at **Philips**.

"I don't believe in selling. I believe in creating markets from the customer's point of view. An outstanding customer experience drives more sales and brings higher profitability, because you create customer loyalty," Van Kuyck said.

"Given the digital revolution, I don't think companies can hide any more. Consumers can make their voices heard and are even more likely to do so in future. Companies that don't heed this will have their reputations damaged beyond repair," he added.

Calling for the creation of "a digital single market," **James Waterworth**, executive director of **Nokia's** EU office, said the EU's new consumer policy would need to emphasise e-commerce.

"We're used to saying that what's good for business is good for Europe. But what's good for consumers is also good for business, and this is good for Europe too," said **Ben Butters**, EU affairs director at **Eurochambres**, which represents European chambers of commerce.

"Better regulatory environments and more competition create good companies," said **Ann Mettler**, executive director of the **Lisbon Council**, insisting that there is "much more" to EU consumer policy than protecting citizens.

"It's about rewarding companies that innovate and empowering consumers to make real-time choices," Mettler explained.