



Malta-EU Steering & Action Committee

## COMPETITIVENESS AND CONSUMER AFFAIRS



06.07.09

### Consumer protection laws

**COM(2009) 336 – Report from the Commission to the European Parliament and to the Council on the application of Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)**

This is a report on the application of the Regulation on Consumer Protection Cooperation (the "CPC Regulation"). The CPC Regulation, which entered into force in December 2006, establishes an EU-wide network of public authorities responsible for enforcing consumer laws in the Member States (the "CPC Network"). The CPC Regulation partially harmonises the authorities' investigative and enforcement powers and lays down the mechanisms for exchanging relevant information and/or taking enforcement action to stop infringements in cross-border situations. It obliges Member States to act upon mutual assistance requests addressed to them through the CPC Network and to ensure that adequate resources are allocated to the network's authorities to meet those obligations.

The Report covers the first two years of operations of the CPC Network, i.e. 2007 and 2008. The Commission's conclusion on the CPC Regulation is that the latter has proved to be a powerful enforcement tool increasing the level of consumer protection throughout the EU. It has closed a gap by providing national enforcers with a means of effectively putting an end to commercial practices harming consumers in cross-border situations.

The Report claims that the Network is producing tangible results for consumers; by way of example it refers to the fact that cooperation between Spanish and French authorities led to the arrest of 87 persons in April 2008 and the stamping out of a lottery scam operated from Spain.

Nevertheless, the assessment of the Network's first two years of operation shows that it has not yet reached its full potential and reveals a series of shortcomings. The Commission's priority is to work in close partnership with the Member States to address these issues within the existing legal framework. It reserves, as a measure of last resort, the right to initiate infringement proceedings against Member States which persistently and systematically fail to meet their obligations under the Regulation.



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### Derivatives markets

#### **COM(2009) 332 – Communication from the Commission Ensuring efficient, safe and sound derivatives markets**

The ongoing financial crisis has brought derivatives to the forefront of regulatory attention. There is broad agreement about the benefits and risks of derivatives markets as exposed by the financial crisis.

Since October 2008 the Commission has been working actively on an in-depth review of derivatives markets. This Communication presents the findings of that review and prepares the ground for forthcoming measures to address the problems identified. In parallel the Commission will continue to work constructively with industry to ensure the implementation of its commitment to introduce EU-based central clearing by end-July 2009. The Commission will take full account of the measures taken by industry in designing the follow-up.

This Communication is accompanied by a Commission Staff Working Paper, which contains an overview of (i) derivatives markets, (ii) Over the Counter (OTC) derivative market segments, and (iii) an assessment of the effectiveness of current measures to reduce risks, notably as regards Credit Default Swaps (CDS).

The Commission welcomes the feedback of stakeholders on the orientations presented in this Communication and in particular on the specific questions set out in more detail in the accompanying Consultation Document. Responses should be sent to the Commission by 31 August 2009.

In this Communication the Commission addresses the way forward. It says that it will consider further measures to move ahead with increased standardisation and transparency of transactions, to consolidate the move to CCP clearing and ensure that it becomes the norm for OTC derivatives markets as a whole, and to channel further trade flow through transparent and efficient trading venues, wherever possible.

Following the public consultation which this Communication launches, the Commission will host a public hearing on 25 September 2009. The views and evidence presented by stakeholders will feed into a detailed impact assessment exercise which will help the Commission to shape its approach. Taking into account the outcome of the consultation, the Commission will draw operational conclusions before the end of its current mandate and present appropriate initiatives, including legislative proposals as justified, before the end of the year.

The Commission will take full account of industry efforts, as well as developments in the EU's key partners and in particular, the comprehensive regulatory framework for OTC derivatives announced by the US Treasury.



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### Agreements concluded in the rice sector

#### **COM (2009) 314 – Report from the Commission to the Council on the operation of the agreements concluded in the framework of the GATT Article XXVIII procedure in the rice sector**

Following the reform of the rice Common Market Organisation in 2003, the EU carried out negotiations, under the GATT Agreement (Article XXVIII), with the four countries from which most EU rice imports originated:

- India and Pakistan, each with a substantial supplier interest in husked Basmati rice,
- the United States of America, which had a principal supplying interest in husked rice and a substantial supplier interest in milled rice, and
- Thailand, which had a principal supplying interest in milled rice and a substantial supplier interest in husked rice.

This document is a report on the operation of the agreements concluded whereby the Commission concludes that in general terms, the agreements concluded have fulfilled their purpose, in as much as the protection of the EU market has increased when imports have grown and *vice versa*.

In addition, the report reviews imports of milled rice in small packages. Some Member States expressed concern at the consequences for the EU rice sector of a possibly large increase in this type of imports following the entry into force of the Agreements. The Commission undertook to enter into consultations with any given exporting country for which imports into the EU increased by more than 25% in a given a marketing year.

### Anti-dumping

#### **COM(2009) 319 - Proposal for a Council Regulation terminating the new exporter review of Regulation (EC) No 192/2007 imposing a definitive anti-dumping duty on imports of certain polyethylene terephthalate originating, inter alia, in Malaysia, re-imposing the duty with regard to imports from one exporter in this country and terminating the registration of these imports**

In November 2008 the Commission initiated a 'new exporter' review of Regulation 192/2007 which imposes a definitive anti-dumping duty on imports of certain polyethylene terephthalate originating, inter alia, in Malaysia. As a result of the 'new exporter' review, the Commission repealed the duty with regard to imports from one exporter in this country (Eastman Chemical Malaysia SDN.BHD) and made these imports subject to registration.

During the proceeding, this exporter decided to withdraw its application for the 'new exporter' review. It was therefore not possible to establish the applicant's individual dumping margin and duty rate. Consequently, the residual duty defined in the original investigation should be reimposed on the applicant. Thus, the Commission is proposing that the Council adopt the proposed Regulation to reimpose the residual duty defined in the original investigation.



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### **€100 million EU micro-finance facility to help unemployed start small businesses**

The European Commission has proposed to set up a new microfinance facility providing microcredit to small businesses and to people who have lost their jobs and want to start their own small businesses. It will have an initial budget of EUR 100 million, which could leverage more than €500 million in a joint initiative with international financial institutions, in particular the European Investment Bank (EIB) Group.

[Read more](#)

### **Industry's commitment to provide a common charger for mobile telephones**

Incompatibility of chargers for mobile phones is a major inconvenience for users and also leads to unnecessary waste. Therefore, the Commission has requested industry to come forward with a voluntary commitment to solve this problem so as to avoid legislation. As a result major producers of mobile phones have agreed to harmonise chargers in the EU. In a Memorandum of Understanding ("MoU"), which was submitted to the Commission, the industry commits to provide chargers compatibility on the basis of the Micro-USB connector. In addition new EU standards to ensure continued safe charger use will be developed to facilitate the implementation of the MoU. The first generation of new interchangeable mobile phones should reach the EU market from 2010 onwards.

[Read more](#)

### **Repeal of Regulation on fruit and vegetables**

The 1<sup>st</sup> of July saw the phasing out of minimum EU standards for 26 types of fruit and veg. These rules had set EU-wide quality standards for fruits and vegetables to facilitate their storage, handling and transportation and ensure they remain fresh.

It is hoped that the repeal of such rules by the European Commission will lessen the burden of regulation and also allow shoppers more choice and ensure that fruit and vegetables that look slightly different will not be thrown away.

The fruit and vegetables affected are: apricots, artichokes, asparagus, aubergines, avocados, beans, Brussels sprouts, carrots, cauliflowers, cherries, courgettes, cucumbers, cultivated mushrooms, garlic, hazelnuts in shell, headed cabbage, leeks, melons, onions, peas, plums, ribbed celery, spinach, walnuts in shell, water melons, and witloof/chicory.

[Read more](#)

### **The hunt is on for Europe's best inventors**

The public proposal phase for the 2010 European Inventor Award is now open, and it closes on 12 September 2009.

The European Commission and the European Patent Office (EPO) have been presenting the highly regarded since 2006 to honour the finest minds behind commercially successful inventions. The Award is a tribute to those whose inventions have achieved an outstanding and enduring success in Europe. [Read more](#)



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### STATE AID

#### **Commission Communication concerning the prolongation of the Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty**

The Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty will expire on 9 October 2009.

Having regard to the need to ensure continuity and legal certainty in the treatment of State aid to enterprises in financial difficulty, the Commission has decided to extend the validity of the existing Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty until 9 October 2012.

#### **Commission updates rules for state funding of public broadcasters**

The European Commission has adopted a new Communication on state aid for the funding of public service broadcasters. The Communication provides a clear framework for the development of public broadcasting services and enhances legal certainty for investment by public and private media alike. The new Communication replaces the Commission's 2001 Broadcasting Communication. The main changes include an increased focus on accountability and effective control at the national level, including a transparent evaluation of the overall impact of publicly-funded new media services. [Read more](#)

### CONSUMER PROTECTION

#### **Commission to strengthen systems to enforce consumer law**

The European Commission adopted a "consumer enforcement package" to strengthen the EU-wide enforcement of consumer rules. The package consists of: a Communication setting out five priority areas for action, and a report on the first two years of application of the Consumer Protection Cooperation (CPC) Regulation. [Read more](#)

#### **New 'Business Application' to notify dangerous consumer products**

The European Commission has launched the new 'GPSD Business Application': an on-line system for producers and distributors to notify authorities in Member States about dangerous consumer products on the EU market. Producers and distributors, have an obligation to alert all Member States where dangerous goods were found on the market under the General Product Safety Directive. Until now, such notifications had to be sent to each Member State separately. The new online system will make it possible for businesses to alert all Member States concerned at the same time in one step, simplifying and speeding up the process. This in turn is in the critical interest of any consumers who might be at risk from such products. [Read more](#)



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### THE SWEDISH PRESIDENCY – its programme for a competitive Europe

The following are the Swedish Presidency's goals in the area of competitiveness:

1. ***Economic recovery and a transition to an eco-efficient economy***

The implementation of the **economic recovery plan** will continue in the second half of this year. The plan aims to create increased demand and facilitate long-term investments with the focus on a long-term transition to an eco-efficient economy and a strengthened Single Market.

2. ***A future long-term growth strategy***

The Competitiveness Council will provide a contribution to the discussion on the next **Lisbon Strategy for the period 2010–2020**. The Presidency will particularly highlight the transition to an eco-efficient economy, a strengthened internal market and the external dimension as important factors in this discussion.

3. ***An efficient single market***

The Competitiveness Council will continue the work to strengthen the single market. One issue that will be given priority is the **recommendation** expected from the Commission on **partnerships with the Member States to implement the single market**.

The Presidency will work towards making as much progress as possible in the negotiations on **the Community patent** and **the European Patent Court**.

The **Services Directive** will be implemented by December at the latest. To facilitate the free movement of services, the Member States must remove unnecessary red tape, simplify administration and strengthen consumer rights.

The Presidency will work for an agreement on a **draft directive on consumer rights**.

4. ***Improving the business climate***

**Better regulation** and **reduced administrative burdens**, better access to **funding for small and medium-sized enterprises** and encouraging their **participation in public procurement processes**, making it easier for **women to set up and run businesses**, promoting **innovations** and making use of the potential inherent in the transition to an eco-efficient economy will be crucial in enabling the EU to extract itself from the current economic situation.

5. ***A competitive European research and innovation area***

The focus will be on how the EU is to use its research resources more efficiently. The Presidency will give priority to a discussion of how European research can best **meet future challenges** in areas such as health, energy and climate. The development of the internal market for research and innovation, i.e. **the European Research Area** that involves both national and joint initiatives, is also high on the agenda. The Presidency will submit a contribution to a **European Innovation Plan**, with links to the European Research Area.