



UNCTAD eCommerce Week 2022

Trust in cross-border e-commerce: the case for consumer product safety

27 April 2022 | 12:00-13:00 CET (GMT+1)

Summary

The moderator introduced the topic and recalled that the [United Nation Guidelines for Consumer Protection](#) clearly state that consumers should have the right of access to non-hazardous products. As business-to-consumer e-commerce continues to bloom, [with 27 per cent of the world's population aged 15 years and older shopping online](#), so do the risks to consumers' health and safety caused by unsafe products being sold online. This happens in the context of rising concerns on the availability of information and data regarding products and services sold cross-border. UNCTAD member States recognize that appropriate policies that promote trade in safe consumer products can improve consumer confidence and provide more favourable conditions for sustainable economic development. At the same time, those policies should not create unnecessary obstacles to trade or be more trade restrictive than necessary.

To this end, the moderator highlighted how international cooperation becomes instrumental in maximizing consumer welfare while reducing barriers to trade. In 2020, UNCTAD adopted its first recommendation on product safety entitled [Recommendation on preventing cross-border distribution of known unsafe consumer products](#), which calls for more exchange of data and information on national policies among Governments and for awareness raising initiatives among businesses and consumers on the risks to consumers' physical safety posed by unsafe products, especially when engaging in cross-border online transactions.

In 2021, Consumers International launched their [Guidelines for Online Product Safety](#) presenting global recommendations for action from Governments and businesses to ensure the rights and needs of consumers are built into the design of e-commerce regulations and practices.

Mr. Richard O'Brien, Director, Office of International Programs, Consumer Product Safety Commission, United States presented ways in which Governments can prevent the cross-border distribution of known unsafe consumer products. First, Governments must identify unsafe products in markets through market surveillance activities, company reports (voluntary or statutory), public reporting mechanisms or communications from foreign counterparts. For Governments to be able to prevent the cross-border distribution of unsafe consumers products it may be necessary to have pieces of legislation in place to allow for notification to market actors and to allow executive action to impede reexport of such unsafe goods. Whereas the United States does have such pieces of legislation, it is still uncommon in most countries. Mr. O'Brien proposed to interpret the existing export control mechanisms, usually based on grounds of



national interest, to include the consideration of unsafe products. The reasoning would be that protecting the reputation of a country as a source of safe products could justify export control of unsafe products. This would be a way of implementing the 2020 UNCTAD recommendation on the matter.

Ms. Saroja Surandam, Director of Consumer Protection at the Citizen consumer and civic Action Group in India, presented her views on how consumer trust in markets can be enhanced. She called for greater responsibility of market placers to ensure products are safe. Business should also provide clear and complete information about products offered and about the business themselves. Businesses should also address queries and requests for information from consumers. Recall mechanisms should be in place to withdraw unsafe products that were already distributed. Effective redress mechanisms should also be implemented. Although India has enacted several pieces of legislation and a central consumer protection authority is mandated to enforce them, Ms. Surandam was of the view that the Indian Government could implement mandatory standards and stronger regulation and enforcement to enhance consumer trust in national online markets.

Mr. Antonino Serra Cambaceres, Advocacy Manager at Consumers International, presented their Guidelines for Online Product Safety. He highlighted in 40% of countries there is no product safety agreement between national authorities and online marketplaces. Less than 10% of countries have statutory or voluntary agreements to ensure online platforms will remove unsafe products if notified. Figures are relatively higher for high income countries. Only 12% of online platforms have provided a dedicated contact point for authorities to report unsafe products. Only 8% have standardised forms for sharing information about unsafe products. Online marketplaces are best placed to ensure that goods and services offered in them are safe. The Consumers International Guidelines contain five main issues: general principles; Government actions to ensure the safety of products sold online; responsibilities of online marketplaces; complaints and redress mechanisms; and consumer information and education.

The second round of questions focused on the role of international cooperation and cross-border enforcement. Mr. O'Brien highlighted the usefulness of the OECD Global Recalls Portal which allows tracking products that have been recalled and encouraged Governments to engage in multilateral initiatives, such as UNCTAD's informal [Working Group on Consumer Product Safety](#). Mr. O'Brien identified cooperation among consumer product safety and customs authorities as the greatest untapped potential for improving product safety in national and international markets. Ms. Surandam identified the exchange of good practices as the basis for improving public policies and contributing to the convergence of product safety standards. Mr. Serra celebrated the level of commitment of Government authorities at UNCTAD's informal Working



Group on Consumer Product Safety and presented the 2020 UNCTAD Recommendation on preventing cross-border distribution of known unsafe consumer products as a concrete output of international cooperation with great potential impact.

The moderator closed the session with the following key takeaways from the session:

1. Ensuring that products are safe for consumers is a pre-requisite for public health and for well-functioning markets. It has thus become a priority for Governments, businesses and consumer groups.
2. Governments should pursue policies, consistent with World Trade Organization rules, aimed at enhancing consumer product safety in online markets and at preventing the cross-border distribution of consumer products known in their own jurisdictions to be unsafe.
3. Governments, businesses and consumer groups should raise awareness among consumers on the risks to their physical safety posed by unsafe products, especially when engaging in cross-border online transactions.
4. Governments should regularly exchange information on national policies and measures on product safety recalls and safety requirements. Governments and consumer groups should participate in international dialogues to share experiences and information on product safety, as well as to exchange ideas on how to enhance product safety in online markets.