#### UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Technical and statistical report

Emerging trends and challenges in consumer product safety





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## **Executive Summary**



The rise of cross-border e-commerce including the informal sector, the demand for sustainable and safe products, and the need for improved regulatory frameworks across developing countries have placed United Nations Conference on Trade and Development (UNCTAD) at the heart of international efforts to protect consumers.

UNCTAD as the focal point on consumer protection issues within the United Nations System,<sup>1</sup> prepared this publication for the upcoming Ninth United Nations Conference to Revise All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, scheduled to take place from 7 to 11 July 2025.

The publication explores emerging trends, regulatory gaps, and the roles of key stakeholders in ensuring consumer safety across varied jurisdictions. It highlights critical issues and insights from national and regional case studies, providing a foundation for shaping global consumer protection initiatives and strategic actions to address contemporary challenges.

Consumer product safety is a core component of the United Nations Guidelines for Consumer Protection (UNGCP),<sup>2</sup> which advocate for consumers' rights to safe products. However, the UNCTAD World Consumer Protection Map<sup>3</sup> reveals that 44 per cent of member States lack sufficient legal frameworks to ensure product safety, underscoring an urgent need for effective, harmonized regulations and enforcement mechanisms.

Consumer product safety is increasingly integral to achieving sustainable development, particularly in advancing Sustainable Development Goals (SDGs)<sup>4</sup> such as SDG 3 (good health and well-being) and SDG 12 (responsible consumption and production). This paper emphasizes that unsafe products pose both immediate health risks and broader environmental concerns. Many unsafe products—especially non-compliant with environmental standards—contribute to ecological degradation through improper disposal and hazardous materials. Consequently, elevating product safety standards directly supports inclusive and sustainable development and aligns with international goals for responsible production and consumption.

E-commerce's expansion, while enhancing product access, also creates pathways for unsafe products to bypass national regulatory frameworks. Unlike traditional brick-and-mortar establishments, online platforms allow unregulated goods to reach consumers, increasing the risk of unsafe purchases, particularly from international sellers with inconsistent safety standards. The publication explores how digital markets, informal trading channels, and fragmented regulations expose consumers to these risks and discusses the shared challenges in developing effective regulatory frameworks that can adapt to rapid digitalization and globalization of trade.

To provide a thorough understanding of global trends, this paper utilizes case studies from Argentina, France, Lithuania, Peru, South Africa, Thailand, Viet Nam, and regional frameworks within the Common Market for Eastern and Southern Africa (COMESA) and the Organization of American States (OAS). These cases were selected for their diverse regulatory environments, varied levels of market development, and distinctive approaches to tackling consumer product safety challenges. The selected jurisdictions exemplify best practices and illustrate diverse development realities , thereby offering valuable insights into potential regulatory models common or adaptable across different regional and economic contexts. The Heads of the consumer

<sup>&</sup>lt;sup>1</sup> United Nations (2015). Resolution on Consumer Protection. A/70/186 of 22 December.

Available at: https://undocs.org/en/A/RES/70/186.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> See: https://unctad.org/topic/competition-and-consumer-protection/consumer-protection-map

<sup>&</sup>lt;sup>4</sup> United Nations (2015). Resolution on Transforming Our World: The 2030 Agenda for Sustainable Development. A/70/1 of 15 October. Available at https://undocs.org/en/A/RES/70/1.

product safety authorities of each jurisdiction identified the emerging challenges and the way forward, resulting in a pool of high-level expertise and policy-informed analysis and guidance.

The paper is structured into several sections, starting with an introduction to the issue of consumer product safety, followed by national and regional case studies that showcase regulatory approaches, challenges and proposed avenues for action. The last section offers conclusions and recommendations that build upon the insights from the case studies. These recommendations aim to inform the policy dialogue at the 2025 United Nations Conference, addressing critical areas such as enhanced cooperation, harmonization of standards, and strengthening regulatory frameworks to ensure that consumer safety evolves alongside the global economy.

The report aims to provide an overview of global consumer product safety concerns and initiatives, underscoring both achievements and gaps in regulatory frameworks. By showcasing a sample of representative national experiences, the report intends to foster dialogue among policymakers, regulatory authorities, and other stakeholders to strengthen collective efforts towards establishing a unified global agenda for consumer product safety. These insights further contribute to the agenda-setting for the 2025 United Nations Conference, where collaborative strategies will be discussed to enhance product safety standards, regulatory oversight, and the effectiveness of international cooperation.

The findings presented in this paper underscore the need for an integrated, global approach to consumer product safety that is adaptable to the demands of a digitized market. The analysis calls for stronger international frameworks and cooperative mechanisms to mitigate the risks associated with cross-border e-commerce. As countries prepare to discuss future strategies at the 2025 United Nations Conference, this report serves as a foundational resource, urging policymakers and stakeholders to collaborate in building resilient, consumer-centred safety standards that protect health, promote sustainability, and support fair trade practices.



# I. Introduction



As the global marketplace expands and digital trade grows rapidly, consumer product safety has become a critical issue requiring heightened attention. The United Nations Guidelines for Consumer Protection (UNGCP)<sup>5</sup> emphasize that consumers should have the right of access to non-hazardous products, and thus provide an essential framework to protect consumers' health and safety. The guidelines recommend adopting of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and maintaining safety records to ensure that products are safe for intended or reasonably foreseeable use.

According to UNCTAD's World Consumer Protection Map,<sup>6</sup> seventy-two out of 108 participating countries report having legal consumer product safety provisions in place. However, many of the remaining eighty-five countries that have not yet contributed to the Map may lack such laws and policies This suggests that potentially 44 per cent of countries are still lacking a legal basis to ensure product safety for consumers.

Product safety is not only a cornerstone of consumer protection but also a critical component in achieving the United Nations Sustainable Development Goals (SDGs).<sup>7</sup> In particular, SDG 3, which targets good health and well-being, and SDG 12, which promotes responsible consumption and production, are directly linked to the need for robust product safety standards.<sup>8</sup>

The global landscape of consumer product safety is constantly evolving. The rise of e-commerce and the rapid expansion of cross-border business-to-consumer trade presents both opportunities and challenges. Digital markets allow consumers to access a broader range of products than ever before, but they also create pathways for unsafe products to bypass national regulatory frameworks. Consumer information and awareness raising are instrumental for effective consumer protection. However, many consumers are unaware of the safety standards governing the products they purchase online, and may not realize the risks involved of buying from international sellers.<sup>9</sup> Policymakers face the challenge of developing more effective mechanisms to regulate cross-border e-commerce and ensure that all products sold online meet international safety standards. This highlights the urgent need for enhanced international cooperation and harmonization of product safety standards.<sup>10</sup>

In developing countries, challenges related to consumer product safety are often exacerbated by limited regulatory capacity and resources. Many lack the infrastructure needed to effectively monitor and enforce product safety regulations, particularly in e-commerce. This has led to a proliferation of unsafe products in markets where consumers may be less aware of their rights, or the risks associated with certain products. Addressing these challenges requires international cooperation and capacity-building efforts. The UNGCP highlight the importance of regional and

- <sup>5</sup> United Nations (2015). Resolution on Consumer Protection. A/70/186 of 22 December. Available at https://undocs.org/en/A/RES/70/186.
- <sup>6</sup> UNCTAD (2024. World Consumer Protection Map: https://unctad.org/topic/competition-and-consumer-protection/consumer-protection-map.
- <sup>7</sup> United Nations (2015). Resolution on Transforming Our World: The 2030 Agenda for Sustainable Development. A/70/1 of 15 October. Available at https://undocs.org/en/A/RES/70/1.
- <sup>8</sup> UNCTAD (2017). Achieving the Sustainable Development Goals through Consumer Protection. UNCTAD/
- DITC/CPLP/2017/2. Available at https://unctad.org/system/files/official-document/ditccplp2017d2\_en.pdf.
  <sup>9</sup> UNCTAD (2018). Consumer Product Safety. TD/B/C.I/CPLP/12. Available at https://unctad.org/system/files/official-document/cicplpd12\_en.pdf.
- <sup>10</sup> UNCTAD (2022), Modalities for the implementation of the recommendation on preventing the cross-border distribution of known unsafe consumer products, TD/B/C.I/CPLP/28, https://unctad.org/system/files/officialdocument/cicplpd28\_en.pdf.

international collaboration in enhancing consumer protection, particularly in sharing best practices and developing regional frameworks for product safety. UNCTAD research shows that regional cooperation, especially when supported by regional organizations, is crucial to improving product safety.<sup>11</sup> The European Union has the most advanced legal and institutional framework, while the Association of Southeast Asian Nations, the Common Market for Eastern and Southern Africa, and the Organization of American States all have functioning consumer product safety frameworks.

In this regard, UNCTAD's 2020 Recommendation on Preventing the Cross-Border Distribution of Known Unsafe Consumer Products,<sup>12</sup> is a landmark initiative in addressing the transnational nature of product safety challenges. It promotes global cooperation among consumer product safety authorities providing a critical framework for countries to collaborate in preventing the circulation of hazardous products. As products move seamlessly across borders, national authorities must collaborate to ensure that unsafe products, once identified, do not re-enter the global market.

To build on this momentum, UNCTAD's Informal Working Group on Consumer Product Safety<sup>13</sup> plays an invaluable role as a platform for dialogue, peer learning, and international cooperation. It allows consumer protection agencies to engage in constructive discussions, share best practices, and build consensus on policy measures to address product safety risks. Regular meetings of the group foster collaboration and align global efforts to tackle emerging trends in consumer product safety, such as the rise of e-commerce, the role of online platforms, the relationship between product safety and customs authorities, the effectiveness recall notices, or the interplay between product safety and environmental sustainability.

The contribution of product safety to achieving sustainable consumption cannot be overstated. Unsafe products not only pose direct threats to consumers' health and safety, but they also have broader implications for sustainability. Many unsafe products, especially those that are noncompliant with environmental standards, contribute to environmental degradation through improper disposal, the use of hazardous materials, and the generation of waste. By improving product safety standards, countries can reduce the environmental impact of unsafe products, thus aligning their consumer protection efforts with SDG 12 on sustainable consumption and production.

Another critical aspect of product safety is business engagement, particularly in the context of online platforms. As digital marketplaces become the primary venue for consumers to purchase goods, businesses that operate these platforms bear significant responsibility for ensuring the safety of the products they sell. Online platforms must work closely with regulators to enforce safety standards, remove unsafe products from their listings, and provide clear information to consumers about potential risks. Accountability is essential in fostering consumer trust and ensuring that digital markets remain safe and transparent.

However, the responsibility for product safety extends to all businesses that place goods in consumer markets. As recommended by the UNGCP, businesses, including manufacturers and suppliers, must play a proactive role in ensuring that their products comply with safety standards throughout the supply chain. This requires a concerted effort to improve traceability

- <sup>11</sup> UNCTAD (2020). International cooperation in consumer protection, research paper no. 54. Available at https://unctad.org/system/files/official-document/ser-rp-2020d13\_en.pdf.
- <sup>12</sup> UNCTAD (2020). Recommendation on Preventing the Cross-Border Distribution of Known Unsafe Consumer Products. TD/RBP/CONF.9/9. Available at https://unctad.org/system/files/official-document/ ditccplpmisc2021d1\_en.pdf.
- <sup>13</sup> UNCTAD. Informal Working Group on Consumer Product Safety. Available at https://unctad.org/Topic/ Competition-and-Consumer-Protection/Working-group-on-consumer-product-safety.

systems, adopt manufacturing practices that uphold safety, and engage in regular testing and certification processes. By doing so, businesses can not only reduce the risk of unsafe products entering the market but also contribute to the broader goals of sustainability and responsible production.

This document presents emerging trends and challenges facing consumers' health and safety identified by Heads of consumer product safety authorities in selected jurisdictions at national and regional levels. National examples correspond to those of Argentina, France, Lithuania, Peru, South Africa, Thailand, and Viet Nam, while regional examples are those of the Common Market for Eastern and Southern Africa, and the Organization of American States. The collection of these experiences provides a picture of the priorities that national and regional institutions should consider when developing a global agenda for product safety.

The publication serves as a key input to the Ninth United Nations Conference to Revise All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, scheduled to take place under the auspices of UNCTAD in July 2025. The conference will provide a valuable opportunity for highlevel policymakers, regulators, businesses, and civil society to strengthen global efforts to protect consumers from unsafe products and shape UNCTAD's future work in this area for the years ahead.

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Selected jurisdictions at national and regional levels



### Argentina

Consumers' rights are enshrined in Argentina's Constitution.<sup>14</sup> Argentina's Consumer Protection law was first enacted in 1993. It recognizes consumers' right to safe products and is applicable to e-commerce. The Undersecretariat for Consumer Affairs, within the Ministry of Economy, is the national authority responsible for consumer product safety, holding policymaking and enforcement powers in this field. It also conducts consumer information and education campaigns in these domains.<sup>15</sup>

Consumer protection and trade regulations related to product safety are gaining importance in Argentina. The country has experienced a rapid transformation in how goods and services are commercialized, primarily due to the exponential growth of e-commerce. This shift has redefined the traditional landscape of consumer goods distribution and introduced new challenges for regulators and enforcement bodies that must keep pace with the dynamic market changes.

The legal framework in Argentina concerning product safety is comprehensive and wellaligned with international parameters and standards. These regulations are either implemented through national legislation or adopted from regional frameworks,

- Argentina's rapid adoption of e-commerce is reshaping the consumer goods landscape, introducing new challenges for regulators.
- Argentina's product safety laws align with international standards, including regional MERCOSUR regulations and ISO guidelines.
- National legislation ensures suppliers are liable for unsafe products, protecting consumer rights.

such as MERCOSUR regulations. The Argentine legal structure, encompassing the National Constitution, Civil and Commercial Code, Act on Consumer Defense, and its regulatory decrees, establishes clear guidelines for the safety and harmlessness of goods. Furthermore, it ensures that suppliers are held liable for any harm caused by their products, providing consumers with legal recourse in cases of unsafe goods.

## Emerging challenges: informal markets and e-commerce

A persistent concern in Argentina is the prevalence of the informal market, particularly in the digital realm. The informal market occupies a sizeable portion of the Argentine economy, and its growth has accelerated with the rise of messaging and social networking businesses . These platforms can facilitate informal, often unregulated, transactions, where products may not meet the required safety standards. For example, many goods sold in these informal markets, including toys and electronics, are found to be unsafe due to non-compliance with established safety guidelines.<sup>16</sup> This situation has led to concerns among consumers and regulatory authorities alike.17

One of the primary challenges posed by the informal market is the lack of

- <sup>15</sup> See: https://unctad.org/system/files/information-document/WCPM\_AR.pdf.
- <sup>16</sup> As reported by the Undersecretariat for Consumer Defence of Argentina.

<sup>&</sup>lt;sup>14</sup> Argentina. (1995). Constitution of the Argentinean Nation. Available at https://servicios.infoleg.gob.ar/ infolegInternet/anexos/0-4999/804/norma.htm, (article 42).

<sup>&</sup>lt;sup>17</sup> Ibero-American Forum of Government Consumer Protection Agencies (2023). Online Questionnaire Report on E-Commerce Regulation; and Organization of American States (2023).

- A sizeable portion of the economy operates in informal markets, particularly in social media platforms.
- Informal channels often lack regulatory oversight, leading to the sale of unsafe products like toys and electronics.
- Buyers in informal markets miss legal protections, such as warranties and withdrawal rights, and struggle to address grievances.
- Lack of seller verification complicates accountability for unsafe goods.
- Social media-driven commerce thrives due to lower costs and broader reach.
- Groups such as children, adolescents, and the elderly face higher risks from unsafe products in informal and digital markets.

effective regulatory frameworks. Informal transactions frequently take place outside the bounds of regulation, making it difficult for enforcement authorities to monitor or prevent the sale of hazardous products. This issue is compounded by the fact that consumers in informal markets do not enjoy the same legal protections offered by formal markets. They often lack access to guarantees, such as the right of withdrawal or warranties on the quality of goods, and they encounter difficulties in seeking redress if they are harmed by unsafe products.

The proliferation of informal commerce in online platforms also exacerbates these challenges. In many cases, digital platforms do not collect or verify the identity of sellers, making it difficult to track down those responsible for the sale of dangerous goods. Social media platforms and other informal e-commerce channels are attractive to suppliers because they allow them to bypass formal regulatory requirements, reduce transaction costs, and reach a wide audience. As a result, informal markets flourish, creating significant obstacles for regulators seeking to ensure product safety.

To address these concerns, Argentina has implemented several initiatives aimed at enhancing product safety enforcement, particularly in digital markets. Provision 137/2024,<sup>18</sup> recently issued by the Undersecretariat of Consumer Defense and Fair Trade, takes special consideration of the needs of vulnerable and disadvantaged consumers, such as children, adolescents, and the elderly. These consumers require higher levels of protection from unsafe products and are more susceptible to harmful commercial practices. The provision strengthens regulatory oversight of digital transactions, particularly those occurring in informal markets.

Mercado Libre, Argentina's largest online marketplace, has introduced strict measures to ensure product safety. These measures include verifying seller identities, recalling unsafe products, and cooperating closely with consumer protection authorities to ensure compliance with safety regulations. Such efforts are essential in curbing the sale of hazardous goods on digital platforms, but challenges remain in regulating smaller informal platforms and social media-based commerce.

In addition to regulatory measures, raising consumer awareness is crucial to improving product safety in Argentina. Educating consumers about the risks associated with purchasing goods from informal markets and emphasizing the importance of buying from formal, regulated channels is a priority. Public campaigns have been launched to inform consumers about potential hazards and to encourage safer purchasing decisions.<sup>19</sup> These campaigns focus on

<sup>18</sup> Argentina, Provision 137/2024 https://www.argentina.gob.ar/normativa/nacional/disposici%C3%B 3n-137-2024-399989/texto.

<sup>&</sup>lt;sup>19</sup> See: https://www.instagram.com/p/C-IK9Z8v1cZ/?img\_index=1; https://www.instagram.com/p/ C1pR4gkIRMD/; https://www.instagram.com/p/C1ChsgCrWxt/?img\_index=1.

reaching consumers in areas where informal and illicit trade is most prevalent, addressing sociocultural factors that contribute to the proliferation of the informal economy.

The Argentine government is also exploring ways to incentivize the formalization of informal suppliers. By offering tax breaks, access to financing, and reducing bureaucratic obstacles, policymakers hope to encourage informal suppliers to enter the formal economy. These measures aim to increase compliance with product safety regulations and improve the overall quality of goods sold in the marketplace.

## Way forward: international cooperation

Argentina has also recognized the importance of international cooperation in addressing product safety challenges. By aligning its regulatory frameworks with international standards, such as those set by the International Organization for Standardization (ISO), Argentina has strengthened its ability to monitor product safety and participate in global efforts to improve consumer protection. Participation in meetings of international organizations, such as the United Nations Conference on Trade and Development, the Organisation for Economic Cooperation and Development (OECD), the Consumer Safety and Health Network of the Organisation of American States (CSHN-OAS), among

others, allows for exchanging information and experiences, developing guidelines and standards to address current global challenges. Argentina values its participation in the Inter-American Rapid Alert System (SIAR)<sup>20</sup> to exchange information on consumer safety alerts and act to prevent the distribution of unsafe predicts.

In conclusion, Argentina faces significant challenges in ensuring consumer product safety, particularly in the informal market and digital commerce sectors. However, the country has taken meaningful steps toward addressing these issues through regulatory measures, consumer education, and international cooperation. By continuing to develop its legal frameworks and enforcement mechanisms, Argentina aims to create a safer environment for consumers while promoting fair and transparent commerce.

- Argentina actively participates in global bodies and aligns with international standards.
- Collaboration through the Organization of American States Inter-American Rapid Alert System (SIAR) ensures swift responses to unsafe product alerts.

<sup>&</sup>lt;sup>20</sup> https://siar.sic.gov.co/siar/#/alertas.



#### France

France's consumer protection law was first enacted in 1905,<sup>21</sup> and has evolved over time into the current Consumption Code.<sup>22</sup> The Code addresses the issues of product safety and e-commerce. The Directorate General for Competition, Consumer Protection and Fraud Control (DGCCRF) is the leading consumer protection authority at national level and is hosted within the Ministry of Economy and Finance. DGCCRF holds both policymaking and enforcement powers in the two areas and conducts information and education campaigns in all consumer-related issues.<sup>23</sup>

- France's consumer protection law has evolved to address modern challenges, including e-commerce and product safety, under the Consumption Code.
- Online marketplaces have reshaped consumption patterns, offering opportunities and posing risks, requiring regulators to balance innovation with consumer protection.

by the European Union's Digital Services Act, are characterized by their vast reach and influence, with a minimum of fortyfive million monthly users. Exceptionally large online platforms represent a new frontier for regulators, as their global nature transcends traditional national boundaries and necessitates a coordinated international response to ensure product safety.

France's market surveillance authorities, regulatory agencies, and lawmakers face the ongoing challenge of finding the appropriate balance between consumer protection and innovation in the age of e-commerce. The advent of large-scale online marketplaces has significantly transformed the landscape of consumption, creating both opportunities and challenges for regulators, who must adapt to this rapidly changing environment.

#### Emerging challenge: e-commerce platforms role in ensuring product safety

A key development in the European regulatory landscape is the emergence of the category of "very large online platforms".<sup>24</sup> These platforms, defined

- Unsafe products in online marketplaces double those in brick-and-mortar stores: 30.3 per cent vs.15.9 per cent.
- Lack of vendor oversight enables unsafe and counterfeit goods to reach consumers.
- Global platforms bypass local safety regulations, creating jurisdictional challenges.
- Consumers face information asymmetry due to limited product details and reliance on platform reputation.
- Sellers outside a jurisdiction can evade accountability, exposing consumers to unsafe products.

<sup>&</sup>lt;sup>21</sup> See: https://unctad.org/system/files/information-document/WCPM\_FR.pdf.

<sup>&</sup>lt;sup>22</sup> France. (2024). Consumption Code. Available at https://www.legifrance.gouv.fr/codes/texte\_lc/ LEGITEXT000006069565/.

<sup>&</sup>lt;sup>23</sup> See : https://unctad.org/system/files/information-document/WCPM\_FR.pdf.

<sup>&</sup>lt;sup>24</sup> Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a single Market for digital services and amending directive 2000/31/EC (Digital Services Act) – article 33. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R2065.

The rise of these massive platforms has brought about significant benefits for consumers, including increased choice, competitive pricing, and innovation. For small businesses, it also looks like a promised land of opportunities, with access to a worldwide market. However, it has also introduced new risks, particularly concerning product safety. As reported by DGCCRF, products sold on these platforms are often less safe than those sold in traditional brick-and-mortar stores. Regular market surveillance conducted by DGCCRF, France's consumer protection authority, through "mystery shopping" has revealed a stark contrast between the safety levels of products sold online versus those available in physical retail outlets, as shown in table 1.

Table 1Unsafe products in online<br/>marketplaces double those in<br/>brick-and-mortar stores



Source: Directorate General for Competition, Consumer Protection and Fraud Control, 2024. *Note:* Average rate calculated from official product

inspections conducted by DGCCRF services and based on tests led by the French public laboratory service.

Regular market surveillance aiming specifically at products proposed on electronic marketplaces to consumers in France, based on official tests performed by the DGCCRF public laboratory on products obtained through "mystery shopping" from the most popular marketplaces, reveals a preoccupying situation (see table 1).

It should however be noted that these inspections were all targeted towards products/operators most likely to be unsafe. Therefore, these figures should not be considered as representative of the entire market situation.

The table shows that among market tests performed by the DGCCRF between 2018 and 2023, 15 per cent of products in brickand-mortar stores were found to be unsafe, while this figure rose to 30 per cent for products sold on online marketplaces. The difference was particularly pronounced in certain product categories, such as toys and electrical goods, where the non-compliance rate for products sold online was double that of products sold in physical stores. In some cases, the non-compliance rate for toys sold online reached 32 per cent, compared to 16 per cent for those sold in stores.

#### Safety gaps in e-commerce platforms

This "safety gap" can be attributed to several factors. First, the ease with which vendors can list products on global platforms means that even dubious or unsafe products can quickly reach millions of consumers. Unlike traditional retailers, who are usually curate their product selections, online platforms often do not perform rigorous checks before allowing vendors to list their products. This lack of oversight creates opportunities for unscrupulous sellers to market unsafe or counterfeit goods to unsuspecting consumers.

Second, the global nature of online platforms means that products can be sold across borders with little regard for the regulatory standards in each jurisdiction. Vendors based in countries with less stringent safety regulations can easily sell their products to consumers in countries with more robust safety standards, without ensuring that their products meet the necessary requirements. In many cases, these vendors are unfamiliar with, or indifferent to, the laws governing product safety in the countries where their products are sold.

Third, electronic marketplaces frequently do not intervene to filter the products offered by traders before they are placed in the market, whereas direct retailers usually control the sourcing of the products they allow in their shops. Repeat offenders will eventually be banned from most marketplaces, but the applicable policy and its enforcement may vary between platforms.

Finally, the presentation of products on online platforms can obscure key details about their safety. Consumers are often unable to physically inspect products before purchasing them and must rely on images and descriptions provided by the seller. This creates an information asymmetry, where consumers may not have access to all the relevant information needed to assess the safety of a product. Furthermore, the reputation of the platform itself can create a false sense of security for consumers, who may assume that products sold on a reputable marketplace are safe.

## Way forward: regulations for a new product safety paradigm and international cooperation

In response to these challenges, France has implemented several regulatory measures aimed at improving product safety on online platforms. The Digital Services Act,<sup>25</sup> adopted by the European Union, represents a significant step forward in this regard. The Act places greater responsibility on platforms to monitor and remove unsafe products and imposes stricter penalties for non-compliance. Platforms are now required to conduct more thorough checks on vendors, including verifying their identities and performing random checks to detect dangerous products already recalled. Platforms are also expected to remove products when requested by regulators.

E-commerce occurs across borders, but regulators' ability to protect consumers is restricted by their jurisdiction. This limitation raises the question of whether it is acceptable for products to be available in a market where the seller is neither located nor represented within that regulator's jurisdiction. A commonsense approach suggests that any business operating in a country should be responsible for the consequences of its products within that country. However, this basic principle, essential for both inspections and addressing product safety concerns, is not universally applied.

<sup>25</sup> Ibid.

- > The EU Digital Services Act imposes stricter responsibilities on platforms.
- Platforms are encouraged to: ban non-compliant sellers; use AI to detect and remove unsafe products before listing; and report publicly on safety efforts.
- Long-term consumer education campaigns should focus on promoting quality, durable goods offering better value and safety.
- Joint strategies like coordinated online investigations ("sweeps") are needed to monitor global trends and enhance enforcement. Initiatives like "safety pledges" promote voluntary good practices.
- Collaboration through UNCTAD, OECD, and rapid alert systems (e.g., EU Safety Gate, OECD Global Recalls Portal) should be privileged.

A practical solution is the appointment of a "proxy" to represent the seller in each jurisdiction where the product is available. In some instances, regulations already mandate that a responsible person be designated in the jurisdiction as the contact point for local authorities.<sup>26</sup> Large retailers managing millions of products have implemented such systems. However, the biggest electronic marketplaces may list hundred million products. This is a radical change of scale, which makes it virtually impossible for just one proxy to represent so many products.

Investigations by the French consumer protection authority revealed that some marketplaces restrict fulfilment services to products with designated responsible persons.<sup>27</sup> To enhance compliance, marketplaces could ensure that a responsible person is listed for each product before it is made available. Failing such efforts, marketplaces may be deemed responsible by default.

Most electronic marketplaces understand that consumer trust is key to their success. While consumers may forget the specific seller, they will remember the platform they used, making it vital for these intermediaries to ensure product safety. Marketplaces should take proactive steps to remove unsafe products and ban non-compliant sellers.

Regulators and marketplaces share common objectives, providing opportunities for cooperation and the adoption of voluntary good practices, such as "safety pledges." To improve these commitments, marketplaces should report publicly on their efforts and use new technologies, such as AI, to detect and remove dangerous products before they go live.

Reducing demand for dangerous products is key to improving safety. By making such products less appealing, traders will shift towards safer alternatives. A long-term educational effort by all stakeholders can promote consumer awareness, encouraging the purchase of quality products that are safer, last longer, and offer better value.

#### International cooperation

The French government has also emphasized the importance of international cooperation in addressing the safety challenges posed by global platforms. As products sold on these platforms often cross multiple jurisdictions, regulators must collaborate with their counterparts in other countries to share information and coordinate enforcement efforts. UNCTAD and the OECD play a crucial role in facilitating cooperation by providing fora for regulators to exchange best practices and develop joint strategies for ensuring product safety in the digital marketplace. One possible avenue for future cooperation is to coordinate simultaneous online investigations (known as "sweeps") to gain intelligence on global market trends and inform enforcement actions. Rapid alert systems, such as the European Union Safety Gate or the OECD Global Recalls Portal, could be harnessed to identify the responsible business for distributing unsafe products listed therein.

The rise of global online platforms has created significant challenges for product safety regulators in France and beyond. However, through the implementation of new regulatory frameworks, international cooperation, and the adoption of innovative technologies, France is making strides in addressing these challenges and ensuring that consumers are protected in the digital marketplace.

<sup>&</sup>lt;sup>26</sup> See article 4 of regulation (EU) 2019/1020 for the European example requiring that a "responsible person" is designated in Europe, Available at https://eur-lex.europa.eu/legal-content/EN/TXT/ PDF/?uri=CELEX:32019R1020.

<sup>&</sup>lt;sup>27</sup> See: https://www.economie.gouv.fr/dgccrf/laction-de-la-dgccrf/les-enquetes/toujours-beaucoup-deproduits-dangereux-sur-les-places-de.





### Lithuania

Article 46 of the Lithuanian Constitution states that "The State shall defend the interests of the consumer."28 The country's Law on Consumer Protection29 covers e-commerce, consumers' physical safety and product quality. The Ministry of Justice of the Republic of Lithuania is responsible for the development of the consumer protection policy. The Ministry of Economy is responsible for the development of non-food product safety and market surveillance policy. The State Consumer Rights Protection Authority was created in 2001 and holds enforcement powers over consumer protection in e-commerce and consumer product safety. This authority has undertaken consumer information and education campaigns in product safety and quality and in e-commerce-related issues.30

- The Constitution mandates state protection of consumer interests, supported by the Law on Consumer Protection.
- The country's product safety regulations adhere to European Union Directives, including the General Product Safety Directive (GPSD).

The State Consumer Rights Protection Authority is responsible for overseeing the safety and compliance of non-food products in Lithuania. As a member of the European Union, Lithuania has aligned its regulatory framework with European Union Directives, such as the General Product Safety Directive (GPSD),<sup>31</sup> which sets standards for product safety across the Union. Despite the comprehensive legal framework, the Authority faces numerous challenges in ensuring that products placed on the market comply with safety

regulations, particularly as the scope of its oversight covers a wide array of product categories, ranging from toys and electrical goods to chemical products and furniture.

#### Emerging challenges: toys, alternative fuels, hemp products and e-cigarettes

The Authority's 2023 report<sup>32</sup> highlighted three primary areas of concern: toys, electrical goods, and chemical products. The report indicated that 35 per cent of toys, 12 per cent of electrical products, and 13 per cent of chemical products did not comply with the required safety standards. Toys pose a significant risk to consumers, especially children under the age of 36 months, who are a vulnerable group requiring enhanced protection. The Toy Safety Directive (2009/48/EC),33 which sets stricter safety requirements for toys aimed at young children, is frequently circumvented by manufacturers and suppliers. Common

<sup>&</sup>lt;sup>28</sup> Lithuania. (1992). Constitution of the Republic of Lithuania. Available at https://e-seimas.lrs.lt/portal/ legalActPrint/lt?jfwid=rivwzvpvg&documentId=TAIS.211295&category=TAD.

<sup>&</sup>lt;sup>29</sup> Available at https://e-seimas.lrs.lt/portal/legalActEditions/lt/TAD/TAIS.6020?faces-redirect=true

<sup>&</sup>lt;sup>30</sup> See: https://unctad.org/system/files/information-document/WCPM\_LT.pdf.

<sup>&</sup>lt;sup>31</sup> General Product Safety Directive (GPSD). Available at https://eur-lex.europa.eu/legal-content/EN/TXT/ HTML/?uri=CELEX:32001L0095.

<sup>&</sup>lt;sup>32</sup> State Consumer Rights Protection Authority (2023). 2023 activity report. Available at https://vvtat.lrv.lt/ media/viesa/saugykla/2024/4/9g\_kGr\_icA8.pdf. Drug, Tobacco and Alcohol Control Department (2024). Press release. Available at https://ntakd.lrv.lt/lt/naujienos/pso-ispeja-apie-itin-sparciai-augancia-elektroniniucigareciu-keliama-gresme/

<sup>&</sup>lt;sup>33</sup> Directive 2009/48/EC of the European Parliament and of the Council of 18 June 2009 on the safety of toys. (2009) OJ L 170, 30/06/2009. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/ PDF/?uri=CELEX:32009L0048.

- 35 per cent non-compliance rate for toys in 2023, with key risks including detachable small parts posing choking hazards.
- In 2023, five violations of biofuel regulations were all appealed in court, highlighting regulatory challenges.
- Market growth since 2021 legalization of low-THC hemp products (CBD oils, cosmetics) has created overlapping regulatory oversight among multiple agencies, complicating compliance checks.
- In 2023, 11 violations of e-cigarette regulations were reported, showing persistent noncompliance and the need for stricter enforcement.

violations include toys with detachable small parts that pose choking hazards.

#### Toys

A case in point is the long-standing legal dispute involving a stuffed toy manufactured in Lithuania. The toy in question was found to have small detachable parts that failed to meet the safety standards outlined in the Toy Safety Directive. Despite the manufacturer's claims that the toy was not intended for children under 36 months of age, the court ultimately ruled that the toy's basic characteristics made it suitable for younger children, and therefore, it should have been subjected to the stricter safety tests required for this age group. This case highlighted the persistent issue of non-compliance with European Union safety standards and the challenges faced by regulators in enforcing these standards, particularly when businesses challenge regulatory decisions in court.

#### **Alternative fuels**

As Lithuania strives to reduce its carbon footprint and align with European Union climate goals, the rise of alternative fuels presents both opportunities and challenges. In line with Directive 2014/94/ EU on alternative fuels infrastructure and other European Union directives, Lithuania enacted its Law on Alternative Fuels to promote cleaner transportation methods. This law mandates the inclusion of biofuels in petrol and diesel sold at stations across the country. However, enforcing this law has proven challenging, as testing procedures to verify biofuel content are limited to two laboratories, leading to a slow turnaround for compliance checks.

In 2023, only five decisions regarding violations of biofuel content requirements were made, all of which were appealed in court. The main disputes centred on laboratory accreditation and the penalties imposed. As businesses and the legal system adapt to these new requirements, the frequency of litigation is expected to decrease. The active engagement of businesses in educational initiatives could further facilitate compliance and reduce violations, ensuring a smoother transition to alternative fuels.

#### Hemp products

The hemp industry has rapidly expanded in Lithuania since the amendment of the Law on Hemp in 2021, allowing the production and sale of hemp products with a tetrahydrocannabinol (THC) content below 0.2 per cent. Previously, hemp-derived oils and extracts were classified as narcotics and banned from the market. Today, products containing CBD (cannabidiol), such as oils, cosmetics, and tinctures, are increasingly popular, both in Lithuania and globally.

Despite the legal changes, ensuring the safety of hemp products remains a challenge due to the involvement of multiple regulatory bodies, including the State Food and Veterinary Service, National Public Health Centre, and the Drug, Tobacco, and Alcohol Control Department. This overlapping supervision has made the consistent assessment of hemp products difficult, particularly regarding THC content compliance. A coordinated approach among regulators is needed to streamline oversight and provide businesses with clearer guidelines to ensure product safety.

#### **E-cigarettes**

E-cigarettes have become an issue in Lithuania, particularly among youth. The World Health Organization (WHO) has raised concerns about the increasing use of e-cigarettes,<sup>34</sup> highlighting their potential for addiction and health risks. E-cigarettes are especially popular among minors due to their variety of flavours, such as fruits and candy, which are marketed in ways that appeal to younger audiences. Studies show a rise in the use of e-cigarettes among schoolchildren, some starting as young as 13 years old.<sup>35</sup>

To curb the appeal of e-cigarettes, Lithuania enacted stricter regulations prohibiting flavours other than tobacco in nicotinecontaining liquids. However, businesses have circumvented these laws by using suggestive packaging that implies flavours without explicitly stating them. In 2023, the State Consumer Rights Protection Authority issued eleven decisions against noncompliant e-cigarette products, affecting multiple product types. Despite repeated penalties, certain suppliers continue to violate regulations, demonstrating the need for more effective enforcement and possibly stricter sanctions to deter these practices.

#### Way forward: national collaboration and international cooperation

Lithuania's efforts to ensure consumer product safety in emerging sectors such as alternative fuels, hemp, and e-cigarettes reflect the complexity of adapting to evolving markets. The enforcement of toys and biofuel content regulations, the regulation of hemp-based products, and the control of e-cigarette sales demonstrate the challenges of maintaining compliance in a rapidly changing legal and commercial environment.

Moving forward, stronger collaboration between regulatory authorities, businesses, and international bodies will be essential to creating a more efficient and unified approach to consumer protection. As businesses become more familiar with new legal requirements and the courts establish clearer case law, compliance is expected to improve. Meanwhile, Lithuania can continue to enhance its capacity for market surveillance and consumer education to address these evolving risks effectively. While progress has been made, continuous adaptation and the development of more sophisticated regulatory tools will be key to safeguarding public health and ensuring the safety of the consumer market in Lithuania.

- Regulators, businesses, and international bodies should strengthen partnerships for unified consumer protection strategies.
- Need to raise awareness about risks of unsafe products (toys, e-cigarettes) and promote informed purchasing decisions, while businesses should participate in educational initiatives to improve compliance.
- Stricter sanctions for noncompliance should be introduced to deter violations.
- Need to leverage EU-wide standards and partnerships to align regulatory approaches and share best practices and continuously update regulatory tools to address emerging risks in evolving markets and safeguard public health effectively.

<sup>&</sup>lt;sup>34</sup> See: https://www.who.int/news-room/questions-and-answers/item/tobacco-e-cigarettes#:~:text=WHO%20 is%20concerned%20that%20these,place%20for%20these%20harmful%20products.

<sup>&</sup>lt;sup>35</sup> Drug, Tobacco and Alcohol Control Department (2024). Press release. Available at https://ntakd.lrv.lt/lt/ naujienos/pso-ispeja-apie-itin-sparciai-augancia-elektroniniu-cigareciu-keliama-gresme/.



#### Peru

Product safety is a growing concern in Peru, where the protection of consumer health and safety is constitutionally recognized.<sup>36</sup> The Consumer Protection and Defense Code<sup>37</sup> of 2010 serves as the primary regulatory framework, and its articles 28 and 29 outline consumer protection against risks to health, safety, and property. However, specific provisions on risk communication to consumers were only introduced later, in 2016, with Supreme Decree No. 050-2016-PCM. This regulation defines procedures for communicating warnings and alerts about products that pose unforeseen risks to consumers. The Regulation establishes definitions, sets communication deadlines to the consumer and the Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi), in its role as the National Consumer Protection Authority, among other prerogatives. Thus, while the development of specific regulations took approximately six years, protecting consumers from unsafe products remains a challenge for the Peruvian state.

- Consumer health and safety are explicitly protected under the Peruvian Constitution.
- Peru's UNCTAD Voluntary Peer Review of 2020 recommended optimizing laboratory use, improving data collection (e.g., hospital records), strengthening multi-agency collaboration to ensure product safety and ensuring compliance by international businesses.

In 2020, Peru undertook UNCTAD's Voluntary peer review on consumer protection law and policy,<sup>38</sup> which contained recommendations related to product safety. The review also for an optimization in the use of laboratories for product checks and of the engagement of other entities with an interest on product safety, including the Directorate General for Medicines, Medical Supplies and Drugs, the Directorate General for Environmental Health and Food Safety, the National Tax Administration and Custom Authority, the National Agricultural Sanitation Service and consumer associations. An avenue for improvement is to collect data on consumer accidents, drawing on hospital records. Furthermore, the safety of improved products needs to be guaranteed and businesses operating in Peru must comply with national consumer protection regulations.

As digitalization advances and consumer behaviours shift, new challenges arise in ensuring product safety in Peru. Key trends affecting consumer safety in Peru, include digitalization and new technologies, smuggling and counterfeit products, strengthening regulation, and the need for technical and operational capacities, innovation, and cooperation. Consumer education is a cross-cutting requirement to foster a safer market.

#### Emerging challenges: technological disruption and counterfeit products

The digital transformation has fundamentally changed how consumer goods are

<sup>&</sup>lt;sup>36</sup> Peru. (1993). Political Constitution of Peru. Available at https://www.gob.pe/institucion/presidencia/informespublicaciones/196158-constitucion-politica-del-peru (article 46.)

<sup>&</sup>lt;sup>37</sup> See: https://cdn.www.gob.pe/uploads/document/file/4265044/Co%CC%81digo%20de%20 Proteccio%CC%81n%20y%20Defensa%20del%20Consumidor%20-%202023%20%281%29.pdf. pdf?v=1678981494.

<sup>&</sup>lt;sup>38</sup> UNCTAD. (2020). Voluntary Peer Review on Consumer Protection Law and Policy of Peru. Available at https://unctad.org/system/files/official-document/ditccplp2020d1\_en.pdf.

- New technologies (IoT, AI, blockchain) improve transparency but introduce risks like information asymmetry, where consumers lack knowledge about product risks.
- Counterfeit products frequently fail safety standards, posing risks, especially in border and informal markets.
- Lack of consumer awareness about counterfeit product risks hinders efforts to reduce demand for unsafe goods.

produced and sold, while counterfeit products remain a constant challenge to product safety in the country. Technologies like the Internet of Things (IoT), AI, and blockchain offer new possibilities for improving transparency and traceability in supply chains. However, these technologies also pose significant risks, particularly related to information asymmetry, where providers possess more information than consumers about the risks and functionality of their products.

While these technologies promise greater safety through better monitoring, they introduce new risks. Nevertheless, in Peru, where digital illiteracy remains a challenge, the risks are heightened as consumers may not fully understand the implications of digital products or services. Some examples of the risks associated with these technologies are available through international initiatives like the AI Incident Database<sup>39</sup> and the OECD AI Incidents Monitor,<sup>40</sup> which track AI-related risks globally.

The key challenge for Peru is ensuring consumers have access to relevant information about these risks before making a purchase. Public policy must focus on reducing the information gap and ensuring consumers are adequately informed about the potential dangers of digital products.

#### **Unsafe counterfeit products**

Smuggling and the proliferation of counterfeit goods present a significant challenge to consumer safety in Peru. These products, often sold in border areas and informal markets, frequently fail to meet safety standards, exposing consumers to harm. According to the National Superintendence of Customs and Tax Administration -SUNAT,<sup>41</sup> smuggling has been a persistent issue, with only a slight decline during the COVID-19 pandemic.

Therefore, raising awareness about the risks of counterfeit products is essential for encouraging consumers to avoid purchasing unsafe goods. In addition, international cooperation plays a key role in combating smuggling. For example, the Transboundary Surveillance Plan between Peru and Chile demonstrates the importance of crossborder efforts in controlling the movement of dangerous products. However, to reduce demand for these goods, consumers must be educated about the trade-offs between price and safety.

#### Way forward: evaluation of the regulatory framework, strengthened enforcement and international cooperation

Recognizing the evolving nature of consumer product safety, and as part of a continuous improvement process, the Peruvian

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<sup>&</sup>lt;sup>39</sup> Al Incident Database (2024). See: https://incidentdatabase.ai/.

<sup>&</sup>lt;sup>40</sup> OECD AI Incidents Monitor (AIM) (2023). See: https://oecd.ai/en/incidents.

<sup>&</sup>lt;sup>41</sup> National Superintendence of Customs and Tax Administration (2023) Estimation of the level of smuggling in Peru. Lima. Available at https://www.mef.gob.pe/contenidos/tributos/doc/Estimacion\_Contrabando\_2022. pdf.

government has prioritized the evaluation of the regulatory framework. In 2021, regulations were introduced to improve regulatory quality using Regulatory Impact Analysis,<sup>42</sup> which assesses the effectiveness of existing regulations. In 2023<sup>43</sup> and 2024,<sup>44</sup> the Presidency of the Council of Ministers identified public safety issues related to hazardous products, signalling the need to update and strengthen regulations.

The focus is on ensuring that regulations are adaptable and aligned with international standards, while also avoiding overregulation that could stifle innovation. It is essential to assess the roles of all stakeholders, including public entities, providers, consumers, and third parties, in improving consumer protection. In some cases, businesses must engage in self-regulation to complement public enforcement efforts.

Strengthening the regulatory framework is a key strategy for addressing emerging risks and improving consumer safety. Updating the legal framework to reflect the realities of modern markets and adopting international best practices will enhance Peru's ability to protect consumers effectively. While Peru has made progress in improving product safety regulations, significant challenges remain, particularly in terms of technical and operational capacities. The Hazardous Products and Services Alerts System<sup>45</sup> gathers information across different product categories, including those with competent sectoral entities, such as food and healthcare products. Multiple public entities, including Indecopi, share responsibility for regulating product safety, but achieving cohesion across their activities is challenging due to differing capacities.

To effectively improve oversight, increased coordination and ensuring personnel training for all entities in charge of product safety surveillance, are essential. Also, technological innovation is vital for modernizing public administration. For instance, as demonstrated by the latest OECD product safety sweep,<sup>46</sup> constant monitoring of products with active recalls is necessary to halt their sale through virtual markets but this task could entail a high burden for the public administration, making it a ripe area for technological improvements. The Peruvian

- Peru is prioritizing regulatory impact analysis to evaluate and strengthen product safety laws, and aligning national regulations with international standards ensures adaptability to modern market challenges.
- Need for strengthen coordination among agencies and provide training to enhance technical and operational oversight.
- Cooperation with global bodies like UNCTAD, OECD, and APEC is needed to adopt best practices and improve product recall systems.
- Boosting consumer awareness through campaigns, training, and incentives can improve product safety in markets.

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- <sup>42</sup> Supreme Decree N° 063-2021-PCM that approves the Regulation on Regulatory Quality Improvement and Guidelines for Ex-Ante Regulatory Impact Assessment (RIA). See: https://www.gob.pe/institucion/pcm/ normas-legales/1782830-063-2021-pcm.
- <sup>43</sup> Ministerial Resolution N° 027-2023-PCM that approves the Early Agenda 2023 for the Presidency of the Council of Ministers. See: https://cdn.www.gob.pe/uploads/document/file/4082556/RM%20027-2023-PCM.pdf.pdf?v=1675208224.
- <sup>44</sup> Indecopi (2024) Early Agenda 2024. Lima. Available at https://www.gob.pe/institucion/indecopi/informespublicaciones/5139250-agenda-temprana-2024.
- <sup>45</sup> Indecopi's alert portal for the Indecopi Hazardous Products and Alerts System. Available at https://www. alertasdeconsumo.gob.pe/.
- <sup>46</sup> OECD (2023) Online product safety sweep report. OECD Publishing. Paris. Available at https://www.oecd. org/en/publications/online-product-safety-sweep-report\_c1faa51e-en.html.

Government 2023 digital transformation policy<sup>47</sup> reflects this shift, allowing public institutions to explore innovative solutions and apply them to routine tasks.

It is also possible to identify effective solutions to existing problems at the international level, making international cooperation another critical element. Engagement in platforms such as UNCTAD, the OECD, the Asia-Pacific Economic Cooperation, and the OAS Consumer Safety and Health Network allows Peru to learn from global best practices and integrate them into domestic policies. For example, Indecopi is working on a project to improve product recall processes in the Asia-Pacific region using emerging technologies<sup>48</sup> and is also adapting its policies to international standards.

None of the above-mentioned measures would be relevant if consumers were not aware of their rights, showing the importance of consumer education in product safety. Awareness campaigns can empower consumers to make informed purchasing decisions and understand the risks of unsafe products. To this end, initiatives such as those led by the OECD and the OAS Consumer Safety and Health Network, as well as Indecopi's social media presence and training sessions, are helping to raise awareness.

Consumers must also be encouraged to report unsafe products. Prior to 2022, no reports were submitted through the Indecopi Alerts System. However, recent increases in reporting reflect a positive shift in consumer engagement. As consumers become more involved in reporting any products that may be unsafe, they contribute to an improvement in market safety and encourage businesses to adopt more rigorous practices.

Collaboration with businesses and consumer associations can also enhance policy development. The implementation of training programmes, awareness campaigns and incentives for businesses that comply with safety standards or collaborate with the relevant authorities may, for instance, lead to improved outcomes.

In conclusion, even when the Hazardous Products and Services Alerts System is working effectively in Peru, ensuring the safety of consumer products requires a multi-faceted approach that includes strengthening regulatory frameworks, increasing technical capacities, fostering international cooperation, and raising consumer awareness. The rise of digital technologies, counterfeit products, and the need to adapt regulations, underline the importance of a proactive strategy.

There is a need to strengthen publicprivate collaboration, embrace and use new technologies, and promote ongoing education campaigns to improve consumer safety and bring Peru in line with international standards accordingly. By addressing these challenges comprehensively, Peru can create a safer market environment that protects consumers and fosters economic growth.

<sup>47</sup> Supreme Decree N° 085-2023-PCM that approves the National Policy on Digital Transformation. See: https://www.gob.pe/institucion/pcm/normas-legales/4471543-085-2023-pcm.

<sup>&</sup>lt;sup>48</sup> Indecopi (2024) "Indecopi presents a project to apply technology in improving unsafe product recall procedures". Available at https://www.gob.pe/institucion/indecopi/noticias/914504-en-apec-presentanproyecto-para-aplicar-la-tecnologia-en-la-mejora-de-procedimientos-de-retiro-de-productos-riesgosos.




### **South Africa**

South Africa's Consumer Protection Act 68<sup>49</sup> of 2008 establishes the legislative framework to protect consumer rights. The National Consumer Commission (NCC) is the leading authority that looks after consumers' safety, also in the context of e-commerce. It reports to the Department of Trade, Industry, and Competition.

- Post-COVID, online shopping surged globally, with 68 per cent of banned/ recalled products sold online and over half lacking safety standards or proper labelling.
- Complex supply chains and sourcing from low-cost manufacturers increase risks of counterfeit and unsafe products in categories like medicines, toys, and car parts.

The COVID-19 pandemic significantly accelerated the global shift towards online shopping, with an increase of 6 to 10 percentage points across most product categories.<sup>50</sup> Unfortunately, this surge has been accompanied by an increase in product safety issues. The OECD reported that 68 per cent of banned or recalled products were supplied online, with over half not meeting safety standards or lacking adequate labelling.<sup>51</sup>

The rise of e-commerce has transformed global consumer markets, enabling retailers to source products from low-cost manufacturers, often at the expense of quality and safety.<sup>52</sup> Counterfeit

products, including medicines, toys, and car parts, have proliferated as a result, raising significant concerns.<sup>53</sup>

Globalization has further complicated supply chains, exposing products to risks at every stage, from design and sourcing to final sale. Supply chains have become more complex, requiring greater attention to product lifecycle management and supplier oversight. As outsourcing to low-cost suppliers increases, deficient quality management systems contribute to product safety issues.

While the challenges are substantial, Al offers promising solutions. Al can process vast amounts of data, improving decision-making and risk management, thereby enhancing product safety throughout the lifecycle.<sup>54</sup>

### Emerging challenges in Africa: regulatory gaps, unsafe disposal

In Africa, many countries lack the technical capacity to address unsafe products. Regional cooperation is essential to build the necessary regulatory capacity.<sup>55</sup> Unsafe products, such as green liquid detergent sold in Kenya, highlight the risks consumers

- <sup>49</sup> South Africa. (2009): Consumer Protection Action. Available at https://www.gov.za/documents/consumerprotection-act.
- <sup>50</sup> See: https://unctad.org/news/covid-19-has-changed-online-shopping-forever-survey-shows.
- <sup>51</sup> See: https://www.oecd.org/digital/consumer/safe-products-online/.
- <sup>52</sup> Consumers International (2018). The Challenge of Protecting Consumers from Unsafe Products. Available at https://www.consumersinternational.org/media/155104/productsafetyreport-full.pdf.
- <sup>53</sup> IPC 'Cross-border e-commerce shopper survey 2016' (2017). Available at https://www.ipc.be/sector-data/ reports-library/ipc-reports-brochures/cross-border-e-commerce-shopper-survey-2016.
- <sup>54</sup> See https://assets.publishing.service.gov.uk/media/628b58e3d3bf7f1f3aa5c13b/impact-of-ai-on-product-safety.pdf.

<sup>55</sup> See https://unctad.org/news/unsafe-products-exact-high-price-consumers-globally#:~:text=Regional%20 is%20safer&text=%E2%80%9CMost%20countries%20in%20Africa%20do,and%20benefit%20all%20 participating%20countries.%E2%80%9D.

- Many African nations lack technical capacity for product safety oversight, with informal cross-border trade exacerbating risks.
- Over 90 per cent of waste in Africa is disposed of in uncontrolled landfills, with 13 per cent being plastic, creating long-term environmental and health challenges.
- While the African Continental Free Trade Area promotes trade, it lacks a consumer protection framework, highlighting the need for harmonized policies across Africa.

face. This detergent is sold informally across-borders without safety labels, leaving consumers unaware of potential harm.56

Another major issue in Africa is the improper disposal of low-value products, such as toys, which often end up in uncontrolled landfills.<sup>57</sup> With over 90 per cent of Africa's waste disposed of in this way, environmental and health hazards are mounting. Plastic waste comprises 13 per cent of total waste, posing a long-term challenge for waste management in the region.58

Product safety issues are addressed at African and national level through regulatory frameworks. The African Continental Free Trade Area (AfCFTA) is a case in point, which complements the national Consumer Protection Act No. 68 of 2008 of South Africa.

While the AfCFTA aims to create a single market for goods and services in Africa, it currently lacks a framework for consumer protection. The incorporation of consumer protection provisions into the AfCFTA e-commerce protocol would be beneficial to safeguard consumer rights in cross-border trade. A harmonized policy on product safety across Africa would help mitigate risks associated with unsafe products.

Although Southern African Development Community (SADC) member States have consumer protection laws in place, they often lack the resources and expertise to enforce them effectively.

When reviewing the policy and legislative frameworks of African governments using Egypt, Botswana, Zambia, Mauritius, the United Republic of Tanzania, and South Africa as samples, Best and Struwig (2022)<sup>59</sup> noted a lack of policy instruments vis-a-vis product safety and environmental management. The paper strongly advocates for the inclusion of sustainable consumption in consumer protection policies in Africa and for the adoption of a broader definition of product safety encompassing products that are produced unsustainably, applicable to each phase of the product life cycle.

### **Emerging challenges in South** Africa: cars, lithium-ore batteries, and toys

South Africa's Consumer Protection Act governs product safety. Key provisions include Section 55, which guarantees consumers the right to safe, quality goods, and Section 56, which allows consumers to return defective products within six months. Section 58 mandates clear safety warnings on hazardous goods, and Section 59 outlines safe disposal requirements.

In South Africa, literature on consumer product safety challenges is scarce, but many of the global and regional issues are relevant. From 2016 to 2024, the National Consumer Commission (NCC) oversaw a significant rise in product recalls. Figure 1 shows the product recalls managed by the NCC.

<sup>56</sup> Ibid.

<sup>57</sup> See https://unctad.org/system/files/official-document/cicplpd12\_en.pdf.

<sup>&</sup>lt;sup>58</sup> See https://www.nepad.org/blog/what-waste-innovations-africas-waste-material-management.

<sup>&</sup>lt;sup>59</sup> Best, L and Struwig, M (2022). A Framework to include sustainability in consumer protection policies.

- Cases like Ford's engine overheating recall in 2017, resulting in a R35 million fine, underscore safety risks, particularly for second-hand vehicles without proper history.
- Imports of lithium-ion batteries worth R8 billion in 2021, highlight growing demand, but a lack of conformity standards and improper disposal pose significant risks.
- Many toys in South Africa present hazards, such as choking risks, with inadequate or missing safety warnings compounding the issue.

In 2017, Ford Motor Company of South Africa (FMCSA) issued a safety alert for its 1,6-litre engine Kuga models, which experienced engine overheating. After an investigation by the NCC, FMCSA was fined R35 million for distributing faulty vehicles. This case highlights the risks associated with second-hand vehicles, as many consumers lack access to vehicle history before purchase.<sup>60</sup>

With South Africa's push for green energy, the demand for Lithium-ion batteries has surged. In 2021, South Africa imported R8 billion worth of these batteries.<sup>61</sup> While generally safe, the lack of conformity standards poses a significant safety risk. Moreover, improper disposal of these batteries remains a challenge, as consumers may be unaware of safe disposal practices.

Toys present another area of concern. According to World Against Toys Causing Harm (WATCH), many toys available in South Africa pose hidden hazards, including choking risks and injury from aggressive play. Parents must be vigilant in reading safety warnings, but in many cases, these warnings are inadequate or missing.<sup>62</sup>

While the NCC is responsible for monitoring product safety, there are challenges in enforcement. Recall guidelines published in 2012 are non-binding, and businesses often fail to comply.<sup>63</sup>

#### Figure 1



**Product recalls increasingly common in South Africa** Total number of yearly product recalls

60 See https://www.hippo.co.za/blog/motor/how-vehicle-recalls-happen/.

<sup>61</sup> See https://www.thedtic.gov.za/wp-content/uploads/Energy-storage-solutions.pdf.

<sup>62</sup> See https://www.news24.com/life/archive/watch-out-for-toys-that-can-cause-injury-this-holidayseason-20201209.

<sup>63</sup> See: https://unctad.org/system/files/informationdocument/ccpb\_EUJUST\_UNCTAD\_Final\_report\_ publication\_en.pdf.

Source: NCC Product Recall Quarterly Reports

### Way forward: better data, innovation, sustainability, and international cooperation

Improving product safety in South Africa requires a multifaceted approach. First, establishing a comprehensive data collection system to track injuries and deaths caused by consumer products, like the United States Consumer Product Safety Commission, would provide valuable insights for policymakers.

Second, introducing a rapid alert mechanism, akin to the European Union SafetyGate system, could enable rapid dissemination of information about unsafe products, enhancing consumer protection.

Third, some concrete innovations could drastically improve product safety. The use of AI to monitor product safety across the entire product lifecycle offers promising potential for mitigating risks more effectively. Additionally, ensuring that second-hand vehicles come with accessible historical information from insurance companies would reduce the risk of consumers purchasing unsafe vehicles. Developing voluntary and compulsory safety standards for Lithium-ion batteries is another critical measure, as these energy storage solutions are becoming increasingly prevalent in South Africa.

Fourth, sustainability should be considered through the entire spectrum of the product lifecycle and included in the definition of product safety. Lastly, enhancing consumer education on proper disposal practices and promoting sustainability throughout the product lifecycle would foster a safer and more environmentally responsible market.

The full implementation of the UNCTAD recommendation on preventing the crossborder distribution of known unsafe consumer products<sup>64</sup> and the fortifying of cross-border enforcement of consumer product safety in Southern Africa and other regional blocs are necessary for improving product safety at global level.

- Need to improve policies to track injuries and fatalities caused by unsafe products and to implement a rapid alert mechanism to notify consumers and regulators about dangerous products swiftly.
- Use AI for real-time monitoring across the product lifecycle to mitigate risks.
- Introduce voluntary and compulsory safety standards for lithium-ion batteries, ensure second-hand vehicles include detailed historical records accessible to consumers.
- Broaden the definition of product safety to include sustainability considerations across the product lifecycle.
- Promote consumer education on sustainable disposal practices, especially for hazardous items like batteries and toys.
- Need to Implement the 2020 UNCTAD recommendations on preventing the crossborder distribution of unsafe products.
- Potential for strengthening regional frameworks within Southern Africa, aligning them with global best practices for product safety and enforcement.

<sup>64</sup> UNCTAD (2020). Op. cit. 12.





### Thailand

Thailand's constitution recognizes that "consumers rights shall be protected."<sup>65</sup> Its Consumer Protection Act B.E. 2522 of 1979<sup>66</sup> was the first in Southeast Asia. The Unsafe Product Liability Act B.E. 2551 (2008)<sup>67</sup> provides an additional civil remedy to consumers who incur harm from defective products by imposing strict liability on business operators involved in the manufacture or sale of the products. This civil remedy is in addition to tort or contract claims. The Office of the Consumer Protection Board (OCPB) is the leading consumer protection and product safety authority, and it reports to the Prime Minister's Office, bestowed with both policymaking and enforcement powers.

- Thailand's Consumer Protection Act of 1979 was the first in Southeast Asia, ensuring consumer rights and product safety.
- UNCTAD's 2022 Voluntary Peer Review recommended broadening the definition of "consumer," enhancing protections for vulnerable groups, and addressing unsafe services and digital commerce challenges.
- Product safety is vital to fostering a robust, sustainable, and resilient economy, especially in rapidly evolving marketplaces.

In 2022, Thailand underwent a voluntary peer review on consumer protection law and policy under the auspices of UNCTAD, <sup>68</sup> which describes the product safety framework in detail. Among other more specific recommendations, the review recommended unifying and expanding the definition of "consumer;" explicitly addressing the needs of vulnerable and disadvantaged consumers, limiting the application of simplified procedures to cases where consumers are plaintiffs (thus excluding business plaintiffs), regulating all consumer contracts, or regulating the concept of unsafe services.

Thailand's approach to consumer protection, particularly in the realm of product safety, is crucial for fostering a sustainable and resilient economy. The OCPB plays a pivotal role in upholding these rights and ensuring the safety of products in the market. However, despite its extensive mandate and established practice, the OCPB faces a range of challenges that hinder its effectiveness. These challenges span to regulatory, enforcement and coordination improvements, public engagement, and the broader issue of adapting to a rapidly evolving marketplace, especially considering digital commerce and cross-border trade.

### Emerging challenges: regulatory gaps, coordination, public awareness, and e-commerce

A major challenge in managing product safety in Thailand arises from the need to update the regulatory framework. For example, the Consumer protection Act B.E. 2522 requires updates to address modern complexities, such as the rise of

<sup>&</sup>lt;sup>66</sup> Thailand (2017). Constitution of the Kingdom of Thailand. Available at https://web.parliament.go.th/assets/ portals/61/filenewspar/61\_1059\_file.pdf.

<sup>&</sup>lt;sup>66</sup> Thailand (1979). Consumer Protection Act B.E. 2522, WIPO Lex, Available at https://www.wipo.int/wipolex/ en/text/185589.

<sup>&</sup>lt;sup>67</sup> Thailand (2008). Unsafe Product Liability Act B.E. 2551. Available at https://www.aseanconsumer.org/file/ post\_image/Product%20Liability%20Act%202008.pdf.

<sup>&</sup>lt;sup>68</sup> UNCTAD. (2022). Voluntary peer review of consumer protection law and policy of Thailand. Available at https://unctad.org/system/files/official-document/ditccplp2022d1\_en.pdf.

- Consumer product safety laws need updates to address modern complexities like e-commerce and imported goods bypassing traditional market monitoring, while insufficient penalties fail to deter violations effectively.
- Fragmented responsibilities among authorities with an interest in product safety complicate enforcement, delaying urgent responses to safety risks, while the lack of real-time data hinders product recalls.
- Resource shortages, including insufficient funding, expertise, and workforce, limit market surveillance and product testing.
- Public awareness of product safety issues and reporting mechanisms remains low due to cultural attitudes and scepticism about regulatory effectiveness.
- Jurisdictional limitations impede regulation of unsafe products sold online by foreign sellers.

e-commerce and the growing volume of imported goods that bypass traditional regulatory checks. Furthermore, the punitive measures available to the OCPB are often insufficient to deter violations of safety standards.

Overlapping responsibilities among various government agencies also poses a challenge. The OCPB is responsible for overseeing a broad range of consumer protection issues, including product safety standards, market surveillance, and addressing consumer complaints. Yet, it frequently faces constraints in operational capacity, legislative authority, and coordination with other relevant agencies.

The fragmentation of regulatory responsibilities among different agencies, such as the Thai Industrial Standards Institute (TISI) and the Food and Drug Administration (FDA), contributes to enforcement ambiguities. This overlap complicates the enforcement process, especially when multiple agencies are involved, leading to potential delays in holding violators accountable. Without clear communication channels and a collaborative approach, the enforcement of product safety standards can be inconsistent. For example, while TISI sets product standards, the OCPB is responsible for managing consumer complaints, but without seamless communication between these entities, addressing consumer safety issues can be

delayed. This is particularly problematic for products that require urgent action, such as those posing immediate health risks.

Operationally, the OCPB's effectiveness is further limited by resource constraints. Insufficient funding, a lack of technical expertise, and inadequate workforce prevent the agency from conducting comprehensive market surveillance and product testing, both of which are essential for ensuring that unsafe products do not reach consumers. Moreover, bureaucratic delays and red tape can further impede the OCPB's ability to respond swiftly to product safety threats. For instance, the product recall process is cumbersome and involves several procedural steps that slow down the removal of dangerous items from the market. The absence of an integrated information system for tracking unsafe products exacerbates the situation, making it difficult for the OCPB to maintain real-time data on safety incidents.

Public awareness of product safety issues is another area of concern. Many consumers in Thailand are not fully aware of their rights or the avenues available to report unsafe products. This low level of consumer engagement limits the OCPB's ability to gauge the true extent of product safety problems, as underreporting of incidents is common. Additionally, cultural attitudes toward consumer rights, coupled with scepticism about the effectiveness of regulatory bodies, discourage individuals from seeking redress. Building public trust in the OCPB's capacity to protect consumer rights is therefore critical for enhancing the overall management of product safety.

The rise of digital commerce and crossborder trade introduce new challenges for product safety management in Thailand. Online platforms have made it easier for consumers to access a vast array of products, many of which may not comply with local safety standards. The OCPB's jurisdictional limitations complicate efforts to regulate these products, particularly those sold by foreign sellers operating across multiple jurisdictions. Enforcing product recalls or holding these sellers accountable becomes increasingly difficult as international legal frameworks differ, and collaboration with foreign regulatory bodies is often required.

### Way forward: new regulations and initiatives and international cooperation

To address these multifaceted challenges, Thailand will need to adopt a comprehensive strategy aimed at improving the efficiency and effectiveness of product safety management. Legislative reform is essential, with a focus on updating and streamlining consumer protection laws to encompass emerging issues, such as digital commerce and cross-border trade. Existing laws can be revised to ensure that penalties for non-compliance serve as effective deterrents against safety violations. Additionally, investing in OCPB staff training and development is crucial for building the agency's technical knowledge in areas such as product safety and risk assessment.

Inter-agency collaboration is another critical area for improvement. The establishment of a centralized platform for information sharing and coordination among relevant agencies could help avoid regulatory overlaps and gaps. A unified regulatory framework that clearly delineates roles and responsibilities is necessary to streamline product safety management and ensure that agencies work together effectively.

Public engagement must also be prioritized. Awareness campaigns aimed at educating consumers about their rights and the importance of reporting unsafe products can help bridge the gap between the public and regulatory bodies. Improving the accessibility and user-friendliness of complaint mechanisms is essential for encouraging greater consumer participation in the regulatory process. Technological advancements, such as data analytics and artificial intelligence, should be leveraged to predict and identify potential safety risks proactively. Implementing an integrated information system for tracking product safety incidents and recalls would also enhance the OCPB's ability to manage safety concerns in real-time.

- Need to modernize consumer protection laws to address e-commerce and crossborder trade challenges.
- A centralized platform for seamless information sharing and coordination among national authorities and clear delineation of roles can streamline enforcement and reduce overlaps.
- Raising consumer awareness and digitize complaint systems can improve reporting of unsafe products.
- Using AI and data analytics for real-time safety risk assessments and tracking unsafe products.
- Leveraging regional cooperation platforms such as ASEAN and RCEP to harmonize standards and foster trade integration.

### Regional and international cooperation

In the international context, maintaining product safety is not just a domestic issue for Thailand but also a global one. As a key player in international trade, Thailand must align its product safety standards with those of the global market, particularly regions with stringent regulations such as the European Union and North America. Non-compliance with international safety standards can lead to trade barriers, product recalls, and damage to Thailand's reputation as a dependable trade partner. Therefore, strengthening Thailand's product safety framework is crucial for maintaining its position in the global market.

Thailand's membership in regional and international trade agreements, such as the ASEAN Economic Community (AEC) and the Regional Comprehensive Economic Partnership (RCEP), provides a valuable platform for advocating for harmonized product safety standards. These agreements can help Thailand ensure that its products meet international safety expectations while facilitating smoother trade relationships. Addressing the challenges facing product safety management in Thailand requires a comprehensive, multi-faceted approach. By reforming its legislative framework, enhancing enforcement mechanisms, fostering inter-agency collaboration, and engaging with consumers, Thailand can build a robust system that protects consumers and upholds international safety standards. Through these efforts, Thailand can not only safeguard its domestic market but also strengthen its position in the global trade landscape.





### Viet Nam

Viet Nam's legal framework on consumer protection and product safety has progressed significantly since the Ordinance on Consumer Protection in 1999. The Law on Consumer Protection (2010, amended in 2023)<sup>69</sup> and the Law on Product and Goods Quality (2007) completed the regulatory landscape.<sup>70</sup> These laws establish principles for product safety, including responsibilities for manufacturers, sellers, and importers. They require businesses to inform consumers about product risks, recall unsafe products, and adhere to technical standards. Food safety, another critical area, is governed by the Law on Food Safety (2010),<sup>71</sup> which outlines responsibilities for ensuring food safety across the production and distribution chain. Viet Nam's focal point for intranational cooperation on consumer protection is the Viet Nam Competition Commission,<sup>72</sup> under the Ministry of Industry and Trade, which manages state-level consumer protection law.

- Key laws include the Law on Consumer Protection (2023) and Law on Product and Goods Quality (2007), mandating businesses to address product risks, adhere to standards, and recall unsafe items.
- Participation in agreements like the CPTPP and RCEP helps Viet Nam align consumer protection standards with global benchmarks.
- Active membership in the ICPEN and ASEAN Committee on Consumer Protection (ACCP) ensures participation in global safety systems like the ASEAN Unsafe Product Alert System linked to the OECD Global Product Recall Portal.

Consumer protection and product safety have become global concerns, as modern supply chains, transportation, and digital markets allow consumers to purchase products from abroad more easily. However, this convenience introduces risks, including the circulation of unsafe products and deceptive business practices. In response, Viet Nam has prioritized developing and implementing a robust legal framework for consumer protection and product safety, complemented by international cooperation.

Viet Nam's commitment to consumer protection extends to international cooperation, as reflected in its participation in global and regional agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership. These agreements include provisions on consumer protection, helping Viet Nam align its practices with international standards.

Viet Nam's international cooperation in this area is extensive. It joined the International Consumer Protection Enforcement Network (ICPEN) in 2013, contributing to global discussions, participating in annual meetings, and working groups. Regionally, Viet Nam has been an active member of the ASEAN Committee on Consumer Protection (ACCP),<sup>73</sup> which collaborates

<sup>&</sup>lt;sup>69</sup> Viet Nam (2023). Law on Consumer Protection. Available at : https://thuvienphapluat.vn/van-ban/Thuongmai/Luat-Bao-ve-quyen-loi-nguoi-tieu-dung-2023-19-2023-QH15-500102.aspx.

<sup>&</sup>lt;sup>70</sup> Viet Nam (2007). Law on Product and Goods Quality. Available at https://thuvienphapluat.vn/van-ban/ Thuong-mai/Luat-chat-luong-san-pham-hang-hoa-2007-05-2007-QH12-59776.aspx.

<sup>&</sup>lt;sup>71</sup> Viet Nam (2010). Law on Food Safety: Available at https://thuvienphapluat.vn/van-ban/Thuong-mai/Luat-antoan-thuc-pham-2010-108074.aspx.

<sup>&</sup>lt;sup>72</sup> See: https://vcc.gov.vn/.

<sup>&</sup>lt;sup>73</sup> See: https://www.aseanconsumer.org/.

with the OECD on the ASEAN unsafe product alert system, linked to the OECD Global Product Recall Portal. This system enables real-time updates on product recalls across ASEAN, including Viet Nam, ensuring timely consumer protection.

Despite these efforts, Viet Nam faces several challenges in implementing consumer protection and product safety measures. Cross-border trade has led to an increase in violations of safety regulations, and unsafe products continue to move between countries due to weak or insufficient cooperation mechanisms. Viet Nam's regulatory framework requires multiple agencies to coordinate efforts, but this can lead to inefficiencies and gaps in enforcement. Furthermore, there are still businesses often evade responsibility, failing to comply with safety regulations or recall requirements.

The rise of e-commerce and digital transactions has added complexity, as online scams, counterfeit goods, and low-quality products proliferate in the marketplace. Viet Nam's legal system, like many others, is still adapting to the challenges posed by the digital economy. Consumer awareness of safety risks and their rights remains limited, and public education campaigns are needed to empower consumers to make informed purchasing decisions and report unsafe products.

### Emerging challenges: regulatory gaps, interinstitutional coordination, and consumer awareness

Viet Nam, like many other countries, faces significant challenges in effectively implementing consumer protection and product safety. Transnational violations of consumer protection regulations are on the rise, and unsafe products continue to cross borders due to limited protection and prevention systems.

Existing cooperation mechanisms between countries are inadequate and lack the necessary tools to address these issues effectively. The complexity of consumer protection involves many agencies and requires active coordination, but such efforts are often disjointed. Warning systems for analysing product risks and providing timely information to consumers are still underdeveloped.

- Cross-border trade leads to increases in safety violations; limited international coordination allows unsafe products to circulate.
- The complexity of consumer protection and product safety involves many agencies and requires active coordination.
- The rise of e-commerce has brought counterfeit goods, online scams, and low-quality products to the forefront.
- Public understanding of safety risks and legal rights is low, hindering consumer reporting of unsafe products.
- Educational campaigns are underdeveloped, reducing proactive consumer engagement.
- Some businesses evade safety responsibilities, failing to comply with regulations or recall defective products, prioritizing profit over safety.

Furthermore, there is a need for a stronger legal framework and clearer guidelines for international cooperation on product safety. In pursuit of profits, many businesses avoid compliance with safety regulations, including their duty to recall defective products. The rise of e-commerce and digital transactions adds to these challenges, creating opportunities for commercial fraud, counterfeit goods, and unsafe products.

Finally, consumer education initiatives remain limited, with insufficient efforts to raise awareness about safe consumption practices and legal responsibilities. These challenges underscore the need for stronger coordination, regulatory frameworks, and educational efforts to ensure effective consumer protection and product safety.

## Way forward: international cooperation and capacity building

To address these challenges, Viet Nam recommends focusing on several key areas of international cooperation. First, information needs to be better shared, actively participating in regional and international forums, workshops, and exchanges to share best practices and experiences in consumer protection. Learning from the successes of other countries will help enhance Viet Nam's policies and enforcement mechanisms.

Second, capacity building should be prioritized in the form of strengthening the enforcement capacity of relevant agencies through training programs on legal regulations and practical skills for resolving consumer disputes and complaints. Developing the expertise of officials in consumer protection is key to improving regulatory effectiveness.

Third, international networks for the exchange of information on product safety should be expanded, with particular emphasis on product recalls and unsafe products. By engaging in global and regional alert systems, we can stay informed about dangerous products circulating internationally and take preventive action. Fourth, technical assistance to support countries that are still in the process of developing robust consumer protection systems should be enhanced. This assistance should focus on building coordination mechanisms between agencies and developing early warning tools for unsafe products.

Lastly, a proactive approach is required to establish international commitments through bilateral and multilateral agreements, incorporating consumer protection provisions into free trade agreements. This will ensure that product safety is prioritized in trade relationships and violations are addressed effectively.

- Participation in global and regional fora to share best practices and enhance alert systems for product recalls and unsafe products builds national capacities.
- Need to incorporate consumer protection into free trade agreements to prioritize product safety in trade.
- Improved coordination between agencies, such as early warning tools, can streamline consumer protection efforts.
- Promoting safe consumption practices empowers consumers to make informed decisions.
- Need to focus on helping developing countries improve their consumer protection systems and train enforcement agencies on legal frameworks and practical skills for improving product safety.



### Common Market for East and Southern Africa

The Competition Commission of the Common Market for Eastern and Southern Africa (COMESA)<sup>74</sup> is a regional body established under Article 6 of the COMESA Competition Regulations. It is responsible for promoting competition and protecting consumers within its member States by preventing restrictive business practices and ensuring the safety of products in the market. The Regulations on Consumer Protection prohibit the supply of unsafe, defective, or unfit goods and require manufacturers and suppliers to comply with consumer safety and product information standards.

To enforce these regulations, the Commission collaborates with sector regulators in COMESA member States, overseeing compliance, conducting market surveillance, and responding to consumer complaints. The Commission has the authority to recall unsafe products or compel suppliers to repair, replace, or refund consumers, according to Article 33 of the Regulations.

- The COMESA Competition promotes competition and consumer safety in twenty-one member States.
- COMESA's regulatory framework prohibits the supply of unsafe, defective, or unfit goods and requires manufacturers to adhere to safety and product information standards.
- Intra-COMESA trade surged to US\$14.1 billion in exports and US\$14.2 billion in imports in 2022. The region heavily relies on imports from the EU, China, and India, necessitating robust safety laws.
- The Commission oversees consumer protection compliance, recalls unsafe products, and mandates supplier actions like repairs, replacements, or refunds.

Emerging challenges: inadequate legal and institutional frameworks faced with surging cross-border e-commerce

- Unsafe goods recalled in one jurisdiction are often sold online in others due to weak enforcement and jurisdictional limitations.
- Out of 21 COMESA member states, only fourteen have consumer protection laws and institutions. National laws vary, requiring harmonization and stronger enforcement mechanisms.
- Poverty drives consumers toward lowcost, unsafe goods, undermining safety enforcement efforts.
- Education campaigns are essential to raise awareness of product risks and encourage demand for safer goods.
- Insufficient resources for sampling, testing, and information sharing delay enforcement actions. National delays and logistical issues weaken regional enforcement.

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<sup>&</sup>lt;sup>74</sup> The Common Market comprises of the following member States: Burundi, Comoros, Djibouti, Democratic Republic of the Congo, Egypt, Eritrea, Ethiopia, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

### Table 2

Africa suffers from low levels of product safety

### Between 2013 and 2017

### 42 per cent of all fake medicines

reported to COMESA were from Africa, with **50 per cent of drugs for sale online beingcounterfeit** (WHO)

### 91 million people

living in the African Region fall ill each year from **foodborne diseases**, resulting in **137, 000 deaths annually** (FAO)

### 18.7 per cent

The African Region has the highest prevalence of **substandard and counterfeit medicines** (WHO)

### 42 per cent

of the global **fake electrical products** are in Africa (ESI Africa)

### Defective vehicles

account for 59.6 per cent

of all accidents annually in Africa (Scientific Research Community)

Source: COMESA, 2024.

A robust legislative framework for product safety is essential for Africa's trade, both within the region and globally. Intra-COMESA trade has grown significantly, with exports rising from US\$4.4 billion in 2005 to US\$14.1 billion in 2022, while imports reached US\$14.2 billion in the same year.75 With COMESA being a major importer of goods, particularly from the European Union, China, and India, effective consumer product safety laws are crucial to ensure that products imported into and exported from the region are safe for consumers.76 Table 2 features some key facts related to product safety that are relevant to COMESA and its member States.

African goods often struggle to access global markets due to safety concerns. Insufficient legislative frameworks, limited resources, and inconsistent policies pose significant challenges,<sup>77</sup> especially in key sectors such as pharmaceuticals. Poverty also influences consumer behaviour, as many consumers prioritize low-cost goods over product safety, often resulting in the purchase of non-compliant or counterfeit products that endanger health.

Weak legal structures also allow Africa to become a dumping ground for unsafe products from developed countries. Research shows that low-income countries, including those in Africa, are more likely to import second-hand goods without adequate safety testing, putting vulnerable consumers at higher risk.<sup>78</sup>

The rise of e-commerce adds complexity to product safety enforcement. Goods recalled in one jurisdiction can still be sold online to unsuspecting consumers in another. This issue is exacerbated by limited resources and jurisdictional challenges in many African countries, making it difficult to regulate large e-commerce platforms.

- <sup>75</sup> COMESA (2023). E-COMESA Newsletter issue number 725; Available at https://www.comesa.int/wpcontent/uploads/2020/09/e-COMESA-Newsletter-725.pdf; and COMESA (2021). Export Potentials of Intra-COMESA Trade Reaping the Benefits of COMESA Integration. Available at https://www.comesa.int/ wp-content/uploads/2021/11/Intra-Comesa-Export-Trade-Potential-Final-Draft-27-10-2021.\_FINAL-.pdf.
- <sup>76</sup> See: www.comesa.int.
- <sup>77</sup> See: https://www.tandfonline.com/doi/epdf/10.1080/14740338.2023.2251375?needAccess=true, pg. 894.
- <sup>78</sup> Consumers International: the Challenge of protecting consumer from unsafe products, a global picture 2018.

Low consumer awareness about product safety, compounded with differing national legal frameworks and low capacities to control product safety at customs,<sup>79</sup> add to the difficulties in ensuring product safety.

### Emerging challenges: e-commerce, regulatory gaps, inadequate enforcement

COMESA, as a regional economic bloc, seeks to promote trade among member States by removing barriers to crossborder commerce. While consumers benefit from access to a wider range of products at competitive prices, unsafe products pose greater risks across multiple countries. The Commission faces several challenges in enforcing product safety laws, particularly in the context of e-commerce, inadequate legal frameworks, limited testing procedures, and insufficient collaboration between regulators and stakeholders.

E-commerce is rapidly expanding in Africa, with the number of online consumers expected to exceed half a billion by 2025.<sup>80</sup> However, e-commerce also makes it easier for unsafe goods to cross borders, as jurisdictional limitations prevent effective regulation, especially in the context of e-commerce platforms.

While the COMESA Regulations provide for consumer protection, some of its member States lack adequate national laws to address product safety concerns. Out of 21 COMESA member States, only fourteen have established consumer protection laws and institutions.<sup>81</sup> Even where laws exist, they require harmonization and stronger enforcement.

For effective enforcement of product safety, proactive identification of unsafe products is essential. This requires collaboration between consumer protection agencies and other regulators, as well as the implementation of regional sampling and testing procedures.

Low-income consumers in COMESA often prioritize price over safety, which undermines product safety enforcement efforts. Consumer education campaigns are critical to raising awareness about the importance of product safety and empowering consumers to demand safer products.

As a regional body overseeing twenty-one countries, the Commission faces logistical challenges in monitoring markets across the entire region. It relies on its member States to assist in market surveillance, sampling, testing, and information-sharing. Delays in communication and inadequate enforcement actions at the national level reduce the overall effectiveness of regional enforcement efforts.

#### Way forward: interventions by the COMESA Competition Commission

To address the challenges related to consumer product safety, the COMESA Competition Commission has implemented several initiatives, some of which are aligned with the OECD Recommendation on Consumer Product Safety (2020).82 The Commission has enhanced crossborder collaboration by working closely with consumer protection authorities in COMESA Member States through the COMESA Consumer Protection Committee. This collaboration facilitates the exchange of information on unsafe products, allowing Member States to collaborate and take swift action, including conducting market surveillance to identify products that are banned or recalled in other regions.

Creating awareness about known unsafe products circulating in the Common Market

<sup>79</sup> See: https://www.databridgemarketresearch.com/reports/middle-east-africa-functional-safety-productsmarket.

- <sup>80</sup> See: The Rise of eCommerce in Africa (trade.gov).
- <sup>81</sup> As reported by the COMESA Competition Commission.
- <sup>82</sup> Organisation for Economic Co-operation and Development (OECD). 2020. OECD Recommendation on Consumer Product Safety. Paris: OECD Publishing. Available at https://www.oecd.org/sti/consumer/ consumer-product-safety-recommendation.htm.

is also at the core of the Commission's work. Where a ban or recall has been implemented outside COMESA, the Commission liaises with its member States to verify whether such products are being offered in the region through market surveillance. If that were confirmed, the distributor is mandated to remove the products from the market. Where existence is not established, the Commission issues alerts warning authorities, consumers, and other relevant stakeholders to remain alert and to report any developments to the authorities. Table 3 includes two examples of cooperation on product safety.

The Commission has also developed a communication channel among its member States and itself, using digital platforms to communicate product safety risks in real time. The Commission is also developing an online rapid alert tracking, and early warning system platform, based on international best practices, which will allow authorities to respond more quickly to unsafe products across the region.

To support its member States in improving consumer protection and product safety, the Commission offers technical assistance, including helping countries like Djibouti draft consumer protection laws and signing Memoranda of Understanding (MoUs) with other Member States to strengthen cooperation.

In addition, the Commission focuses on advocacy and consumer education, organizing workshops, training case handlers, judges, policymakers, and conducting public awareness campaigns through workshops, flyers, brochures and social media.<sup>83</sup>

#### Table 3

Harmful batches of Purity Essentials Baby Powder (2022)	The Commission was notified by Tiger Brands that it had recalled certain batches of its Purity Essentials Baby Powder product. This was after detection of trace levels of asbestos in test samples from a batch of pharmaceutical-grade talc powder, used as raw material in the production of their finished powder products. The Commission issued an alert to consumers in the COMESA region as the product was sold in several Member States and required the Company to remove all the affected batches from the region.
Harmful Boom Paste Detergent (2024)	The Commission handled a consumer complaint on unsafe products where a consumer sustained cuts from crystals inside Boom Paste Detergent, a product by a manufacturer in the COMESA Region. The Commission worked with affected national authorities and engaged the Bureau of Standards of Malawi and Zambia, which tested the product and established that the product did not comply with mandatory standards because it would crystallize when exposed to temperatures below 15 degrees Celsius. However, this information was not relayed to consumers even though the crystals could cause harm. The Company was directed to amend its label to adequately inform consumers of the risks associated with their product and how to store and safely handle the product.

#### Case studies on product safety in COMESA

#### Source: COMESA, 2024

<sup>&</sup>lt;sup>83</sup> COMESA Competition Commision (2023). 10 Year Anniversary Magazine. Available at https:// comesacompetition.org/resources/annual-report/comesa-competition-commission-10-year-anniverarymagazine\_eng/.

- Need to develop an online rapid alert and early warning system to track unsafe products across member states in real time.
- Urge to assist member States draft consumer protection laws, introducing comprehensive labelling requirements and sampling/testing guidelines for suppliers.
- Incorporating consumer protection education into school curriculums would build awareness from an early age.
- Training case handlers, judges, and policymakers to handle product safety issues efficiently, and collaborating with national standards bureaus and stakeholders for proactive product testing and risk management are current priorities.
- Need to align regional safety standards with international best practices to regulate unsafe goods online.

A key initiative is the introduction of consumer protection education in school curriculums to raise awareness at an early stage. To ensure product safety, the Commission is developing sampling, testing, and labelling guidelines, which have been shared with its member States for input. Furthermore, the Commission is working on regulatory amendments to strengthen consumer protection provisions, including comprehensive labelling requirements for suppliers. As part of this effort, the Commission may change its name to the COMESA Competition and Consumer Commission, reflecting its broader mandate in consumer protection.

COMESA is actively addressing consumer product safety challenges through regional collaboration, technical assistance, and regulatory improvements. However, challenges such as weak national frameworks, limited resources, and the rise of e-commerce continue to impede effective enforcement. The Commission, in cooperation with its member States, is working to enhance consumer protection and product safety across the region, safeguarding the lives of its consumers.





### **Organizations of American States**

As consumer markets in the Americas become increasingly complex and interconnected, safeguarding consumer health and safety has never been more critical. The Organization of American States (OAS) supports member States' efforts in consumer protection through the Consumer Safety and Health Network (CSHN), a vital tool that facilitates regional cooperation on product safety and health hazards.

- The Consumer Safety and Health Network, established in 2009 under the OAS, promotes regional cooperation in product safety across twenty-one member States.
- Current Working Groups focus on communications, strategic alliances, digital environments, and risk management, addressing product recalls, misinformation, and crossborder risks.
- In 2023, a campaign on battery safety and a guide for influencers promoting responsible messaging about product safety was conducted.

The Consumer Safety and Health Network (CSHN)<sup>84</sup> was established in 2009 following OAS General Assembly resolutions aimed at strengthening national capacities and fostering regional collaboration to detect unsafe consumer products and prevent harm. Today, 21 OAS member states participate in the CSHN.<sup>85</sup> The network is composed of three key organs: the Plenary, the Management Committee, and the Technical Secretariat.

The Plenary, the supreme authority of the CSHN, meets annually to review the previous year's work and develop the following year's work plan.

- The Management Committee governs the network and is elected during the Plenary. For 2023-2024, El Salvador holds the presidency, with Argentina and Chile as Vice Presidents, representing the previous and future presidencies, respectively.
- The Technical Secretariat, managed by the Department of Social Inclusion of the OAS secretariat for Access to Rights and Equity, oversees daily operations and ensures the financial stability of the network.

Each year, the Plenary agrees on a work plan and establishes mechanisms for its implementation, including Working Groups. These groups allow member states to delve deeper into specific issues. Four permanent Working Groups currently address communication, strategic alliances, digital environments, and risk management.

 The Communications Working Group shares news on product recalls, safety developments, and events through newsletters and social media, expanding the network's visibility and reach. In 2023, this group organized a webinar with TIC Council,<sup>86</sup> as well as a social media campaign to raise awareness about the diverse types of batteries, their associated safety risks and

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- <sup>84</sup> See: Consumer Safety and Health Network.
- <sup>85</sup> OAS Member States that are part of the CSHN: Antigua and Barbuda, Argentina, The Plurinational State of Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, the United States of America and Uruguay.
- <sup>86</sup> See: https://www.tic-council.org/about-us.

steps being taken by some consumer protection agencies in the Americas to prevent potential harm to consumers.

- The Strategic Alliances Working Group focuses on building synergies with other consumer protection networks and international organizations. In 2023, it organized a webinar on innovations in product safety policies and effective recalls.
- 3. The Consumer Protection in Digital Environments Working Group counters misinformation and promotes the protection of consumer's rights in online spaces. It has developed a guide for influencers to support responsible messaging about product safety.
- 4. The Risk Management Working Group analyzes product safety risks and shares good practices among member States, particularly focusing on cross-border risks due to globalized trade.

Additionally, ad-hoc Working Groups are created when needed. For example, in response to the COVID-19 pandemic, one group developed guidelines for the early detection of unsafe consumer products in a post-pandemic context.

### Emerging challenges: resource constraints, disparity in national powers and language barriers

Despite its importance in the region, the CSHN faces several challenges. One major issue is the disparity in economic resources, legal frameworks, and governmental priorities among member States, resulting in uneven consumer protection standards across the region. Well-established agencies like the United States of America Consumer Product Safety Commission (CPSC) and Health Canada have robust legal frameworks, regulatory powers, funding, testing and enforcement and technological infrastructure, while many Latin American and Caribbean countries struggle with limited financial resources, political instability, and weaker legal systems. Further, consumer protection remains a low

priority for less economically developed countries in the region, leading to under resourced policy and enforcement agencies.

This disparity often makes it difficult for the network to arrive at a consensus on priority areas. For example, while advanced countries are concerned about the safety implications of AI, such as data privacy and wearable technology, to consumers' physical and mental wellbeing, many developing countries in the region are not yet ready to address these concerns. As a result, these topics are not fully explored within the network, leading to a gap in shared knowledge and progress.

Another challenge relates to the scope of consumer protection agencies and their classification of products. The CSHN does not address consumable goods like food, beverages, or medicine, which can leave some countries feeling underserved.

- Advanced members like the USA and Canada have robust frameworks, while many Latin American and Caribbean countries face funding shortages, political instability, and weak legal systems.
- Disparities limit consensus on priorities, with topics like AI and wearable technology underexplored in less developed member states.
- The network does not cover consumables (e.g., food, beverages, medicine) or financial disputes, leaving gaps in comprehensive consumer protection.
- Spanish-speaking dominance creates challenges for English-speaking Caribbean members, despite interpretation services since 2020.
- The Inter-American Rapid Alerts System faces irregular data contributions, inconsistent reporting, and low public awareness.
- Despite synchronising with regional recall sites, its recognition and usage as a reference for unsafe products remain limited.

Similarly, issues such as financial disputes, insurance claims and investment fraud fall outside the network's purview, despite some member States' consumer protection agencies overseeing these matters. This division of responsibility underscores the need for better coordination between regulatory bodies to ensure comprehensive consumer protection across all sectors.

Linguistic barriers also pose a challenge, as the majority of CSHN members are Spanish speaking. Interpretation services have been provided since 2020, funded by the Consumer Safety and Health Fund, which facilitates participation of English-speaking countries, particularly those in the Caribbean. The cost of interpretation remains a significant financial burden, threatening the sustainability of such services.

The CSHN's Inter-American Rapid Alerts System (SIAR, for its Spanish acronym)<sup>87</sup> also faces significant financial challenges. The SIAR was the first system to allow information exchange between consumer protection agencies in the Americas and served as a model for similar systems. However, it has faced issues such as disparity in technological capabilities, inconsistent data reporting, and delays in communication between countries.

Until 2020, the SIAR was managed by the OAS, however, due to limited financial and human resources within the institution to upgrade and maintain the system, the platform was migrated to Superintendency of Industry and Commerce of Colombia to assume the responsibility of modernizing, updating, and maintaining the site. While the previous platform was synchronised with a few global platforms to automatically exchange crucial consumer product recalls, a major success has been the syncing of the SIAR with additional regional recall sites thereby boosting the amount of information on unsafe products on the System. However, some challenges remain.

Many member countries contribute irregularly to the network, limiting the exchange of information which would boost the System's efficiency and effectiveness in sharing information among member States. Additionally, language barriers and varying regulatory frameworks across countries further complicate the standardization of alert protocols. And finally, there is also a lack of public awareness, reducing consumer engagement and feedback within the system. The CSHN Communications Working Group is working to rectify this, but the SIAR is not yet a regionally recognized reference point for consumers in the western hemisphere.

### Way forward: improved regional cooperation

The CSHN plays a critical role in protecting consumers across the Americas. Through regional cooperation, information sharing, and capacity building, the CSHN helps its member States address pressing consumer protection issues, including product recalls and health hazards. However, the network must overcome several hurdles to realize its full potential. To ensure the CSHN's impact, it is essential to address disparities in regulatory framework and enforcement capabilities, improve technological infrastructure, overcome language barriers, and secure sustainable funding. Strengthening public awareness and engagement is also key to empowering consumers to take full advantage of the protections offered by the network. By tackling these challenges, the CSHN can enhance consumer safety across the Americas and continue to protect consumers in increasingly complex global markets.

- Address regulatory disparities by supporting capacity building for weaker economies can strengthen the network.
- Need for increased contributions and standardization of reporting protocols to boost the network's efficiency.
- Upgrading SIAR's capabilities can facilitate full integration with global recall systems.
- Awareness raising campaigns can position the network as a trusted resource for consumers.
- Leveraging digital platforms and social media to increase consumer participation in reporting unsafe products.
- Ensuring consistent financial contributions from member States is necessary to maintain core services, like interpretation and system updates.
- Including consumables and financial disputes can create a more comprehensive consumer protection framework.



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# Conclusions



The national and regional profiles presented in this report illustrate the multifaceted challenges and emerging trends in consumer product safety. Several common issues have emerged, shedding light on the complexities involved in ensuring that consumers worldwide are protected from unsafe products, particularly in an increasingly globalized and digitalized marketplace.

One of the most pressing challenges identified throughout this report is the rise of cross-border e-commerce. As consumers increasingly turn to online platforms for convenience and variety, the risks of unsafe products circulating across borders have escalated. In countries such as France, Peru, Thailand, and South Africa the difficulty in ensuring that online platforms adhere to product safety regulations has been highlighted, with many unsafe products being sold by third-party vendors without proper oversight. The anonymity and vast reach of these platforms allow unscrupulous actors to bypass national regulations, posing significant risks to consumer health and safety. Requiring formal and physical representation of platforms in the jurisdictions they operate is a common interest raised in the contributions.

The experiences of Argentina, Viet Nam, and COMESA demonstrate the challenges associated with the informal economy. Informal markets, which escape formal regulatory oversight, are a major source of goods for consumers in many developing countries. However, these markets are frequently characterized by the sale of counterfeit and unsafe products, which pose significant risks to consumers. In Argentina, the rise of social media platforms as informal e-commerce channels has exacerbated this problem, as these platforms allow unregulated goods to reach a wide audience without the same level of scrutiny applied to formal markets. Similarly, in Viet Nam, the complexity of global supply chains and the lack of transparency in informal markets have made it difficult for regulators to ensure the safety of products entering the domestic market.

Addressing the challenges posed by informal markets requires a multifaceted approach. In Argentina, for example, the government

has implemented awareness campaigns to educate consumers about the risks of purchasing goods from informal channels and the importance of buying from formal, regulated markets. In COMESA, efforts have focused on cross-border cooperation to reduce the prevalence of counterfeit goods and ensure that products traded within the region meet basic safety standards. The COMESA Anti-Counterfeit and Anti-Illicit Trade Initiatives represent a significant step forward in this regard, as they promote collaboration between member States to combat the trade in counterfeit products. The OAS Inter-American Rapid Alerts System is a fully functioning mechanism among manly developing countries, which makes it sensitive to their interests and realities, even if budgetary constraints impair it from reaching its full potential.

An emerging challenge is the relationship between sustainability and product safety. As the global community pushes towards sustainable consumption and production, many unsafe products not only endanger consumer health but also contribute to environmental degradation. The insights from South Africa, for example, underscores the importance of integrating sustainability into product safety regulations to ensure that unsafe, non-environmentally compliant products do not harm both consumers and the environment.

A cross-cutting and recurring concern is the lack of adequate resources and capacity at both the regional and international levels to enforce product safety effectively. In many developing countries, weak regulatory frameworks, insufficient technical expertise, and limited financial resources hinder efforts to ensure that products entering the market meet safety standards. The cases of Argentina, Peru, Thailand, and COMESA emphasize the need for technical assistance in strengthening their national capacities to monitor, test, and recall unsafe products.

Furthermore, developing countries face significant hurdles in improving their legal frameworks to cope with modern product safety challenges, particularly in the digital economy. The experiences from Peru, Thailand and Viet Nam demonstrate the challenges posed by informal markets and digital transactions, where unsafe or counterfeit products proliferate with insufficient oversight. These countries call for stronger legal frameworks and enforcement mechanisms to protect consumers more effectively in these contexts.

Finally, the global landscape of consumer product safety is in dire need of cohesive and comprehensive policy guidance to address both current and emerging challenges. Countries like France, which has been a leader in enacting regulatory frameworks, highlight the need for harmonized international policies that can guide countries, especially developing economies, in their efforts to improve product safety.

#### The role of UNCTAD

As the focal point on consumer protection within the United Nations system, mandated by the United Nations General Assembly to promote the implementation of the United Nations Guidelines for Consumer Protection, UNCTAD plays a significant role in addressing the challenges of product safety at a global level. The rise of crossborder e-commerce including the informal sector, the demand for sustainable products, and the need for improved regulatory frameworks across developing countries have placed UNCTAD at the heart of international efforts to protect consumers.

UNCTAD's Recommendation on Preventing the Cross-Border Distribution of Known Unsafe Consumer Products, adopted in 2020, is a critical milestone in the global endeavour to address transnational product safety challenges. By fostering international cooperation among consumer product safety authorities, this recommendation provides a muchneeded framework for countries to work together in preventing the re-entry of hazardous products into global markets.

Moreover, the UNCTAD Informal Working Group on Consumer Product Safety serves as a useful platform for policy dialogue, consensus building, and international cooperation for its 195 member States. This working group, by facilitating peer learning and the exchange of best practices, enables consumer protection authorities worldwide to tackle the evolving threats posed by unsafe products. The working group's ongoing discussions on critical issues such as the safety of e-commerce platforms, the intersection of product safety and sustainability, and the need for more effective recall systems are vital to shaping global policy responses.

UNCTAD's centrality in consumer product safety is further demonstrated by its advisory services and capacity-building initiatives, which provide technical assistance to developing countries. Through these programs, UNCTAD helps member States improve their regulatory frameworks, build institutional capacities, and enhance their ability to enforce product safety laws effectively. These efforts are critical in levelling the playing field and ensuring that all consumers, regardless of where they live, are afforded the same level of protection against unsafe products.

The importance of product safety will be a key focus at the *Ninth United Nations Conference to Revise All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices*, set to take place under the auspices of UNCTAD from 7 to 11 July 2025. This conference presents an invaluable opportunity for high-level policymakers, regulators, and businesses to agree on how to strengthen global efforts to protect consumers from unsafe products and chart the work of UNCTAD for the coming years. Emerging trends and challenges in consumer product safety

This report serves as input to the Conference, highlighting the urgent need for enhanced international cooperation, improved legal frameworks, and innovative solutions to the challenges of product safety. UNCTAD's role in leading these discussions and providing the necessary policy guidance will contribute to shape the future of global consumer product safety. 12 9 **UNITED NATIONS** NATIONS UNIES H 18

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