



## United Nations Conference on Trade and Development

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### Fourteenth session

Nairobi

17–22 July 2016

## Ministerial round table: Empowering consumers to transform markets

### Summary prepared by the UNCTAD secretariat

1. The Director of the Division on International Trade in Goods and Services, and Commodities, in his opening remarks, stated that the session marked 70 years of work on competition at the United Nations and the recent designation of UNCTAD by Member States as the international forum for consumer protection issues. Furthermore, the recently adopted Sustainable Development Goals put consumers at the forefront of international policymaking, as no less than 13 of the 17 Goals aimed directly at increasing the welfare of consumers and relied on both consumers and businesses to achieve them.
2. The first panellist highlighted the importance of State policies in ensuring well-functioning markets and enhancing confidence therein. For this purpose, Governments needed to seed a partnership with businesses and ensure that consumers received redress in the event of any dispute. The panellist commended UNCTAD on its new mandate on consumer protection and pledged support for its work.
3. The second panellist identified consumers as motors of international trade, especially with regard to the emergence of electronic commerce. At over \$1 trillion per year, business-to-consumer electronic commerce was the fastest growing form of trade, and would allow greater choice, spur international competition and promote freer markets. However, for it to flourish, consumers needed to trust this type of commerce. The recently revised United Nations guidelines on consumer protection provided an international minimum standard, and UNCTAD was in a privileged position to encourage North–South and South–South cooperation. In addition, there was complementarity between competition and consumer protection; the former ensured more competitive offers while the latter sought to level the playing field between consumers and businesses. Trade was tied to competition and to consumer protection, and the panellist commended UNCTAD for understanding and deepening this link.
4. The third panellist stated that the United States of America, for example, as a consumer society, had significant interest in fostering consumer trust in markets. As new technologies pushed States to strengthen consumer protection, UNCTAD technical

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cooperation efforts were noteworthy. While challenges such as the digital revolution and multinational unfair practices were global, jurisdictions remained local. The guidelines on consumer protection were essential in providing a global response to such challenges. Consumer education was the way to empowerment, and international cooperation was essential for effective enforcement.

5. The fourth panellist highlighted the example of Egypt, where consumer protection as a cornerstone of economic and social development had been enshrined in the constitution in 2014. The challenge had been to revise the legal framework in line with the revised guidelines on consumer protection and to raise capacities while empowering consumers. One recent success case in Egypt was the number of consumer organizations, which had tripled in the past five years. The panellist expressed appreciation for the cooperation projects of the European Union and UNCTAD in building national capacities.

6. The fifth panellist commended UNCTAD on recently becoming the global hub for consumer protection, as it had been for competition for many years. Although competition and consumer protection were complementary, it was imperative not to confuse both spheres of policy. Consumer protection aimed at greater objectives than providing a well-functioning market; it also served social goals such as inclusion and poverty alleviation. Consumer protection should always be focused on disadvantaged consumers, as recommended in the guidelines on consumer protection. Further, it was assumed that technology would increase consumer welfare, yet without adequate policies, this could not be guaranteed. For example, currently, consumers were flooded with information through the Internet, and consumer education was needed encourage responsible choices.

7. The representative of a non-governmental organization stated that unless consumers were empowered, the gains of trade liberalization would be lost; a clearer distinction between competition and consumer protection was required, while recognizing the greater scope of the latter. One delegate stated that competition was necessary but not sufficient to ensure consumer welfare, as strong policies and institutions needed to be in place, and the guidelines on consumer protection equipped States for that purpose. Finally, there was room for businesses to adopt responsible behaviour and play their part in advancing consumer interests.

8. During the interactive debate, one delegate addressed the enforcement of competition and consumer protection at the supranational level and its feasibility in the medium and long terms. Another delegate questioned the power of business lobbies against consumer interests and the potential for government policies to be co-opted.

9. The discussions concluded with recommendations for the future work of UNCTAD, including broad agreement that the first session of the Intergovernmental Group of Experts on Consumer Protection Law and Policy should recommend to the General Assembly the declaration of 15 March as World Consumer Rights Day, and that UNCTAD should continue to provide a platform for consensus-building and the exchange of experiences, leading to technical cooperation and capacity-building projects, and to deepen its research and analysis on consumer protection to the level of research and analysis on competition issues.

10. The session concluded with the launch of four UNCTAD training materials, namely, a *Manual on Consumer Protection* and three documents issued under the UNCTAD competition and consumer protection programme for the Middle East and North Africa providing a competition glossary, guidelines on independence and accountability and guidelines on leniency.