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Working Party on Regulatory Cooperation and
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(Fifteenth session, 24-26 October 2006)

REPORT OF THE FIFTEENTH SESSION

Addendum

Report on the Second UNECE International Forum on Market Surveillance and
Consumer Protection, held on 24 and 25 October 2006

Summary

This document contains the report on the “Second UNECE International Forum on Market Surveillance and Consumer protection” held in conjunction with the fifteenth session of the Working Party on Regulatory Cooperation and Standardization Policies. The report on the session is reproduced in document TRADE/WP.6/2005/15.

Participants in the Forum noted the importance of market surveillance activities for UNECE member States, particularly for countries in transition and developing economies. They agreed on a practical follow-up to issues of concern raised by delegations.

This document as well as the documentation for the October 2005 events can be found at:
http://www.unece.org/trade/ctied/wp6/documents/doc_archive.htm

SECOND UNECE INTERNATIONAL FORUM ON MARKET SURVEILLANCE AND CONSUMER PROTECTION

Documentation: TRADE/WP.6/2005/2
 TRADE/WP.6/2005/2/Add.1
 TRADE/WP.6/2005/2/Add.2
 Background notes and presentations available on web site
 http://www.unece.org/trade/ctied/wp6/other_events/fora.htm

1. The Forum was opened by the Director of the Trade Development and Timber Division and by the Chairman of the Working Party, who recalled that the market surveillance segment of the Working Party's work was initiated in response to requests from the Commonwealth of Independent States (CIS) and as an outcome of the first Forum on this topic held in 2002. They also recalled that the programme of the Working Party is complementary to the United Nations work on consumer protection (which the General Assembly in 1999 had adopted as the United Nations Guidelines on Consumer Protection (GA Decision 54/449)).
2. The Forum was organized to present national approaches to and experiences with market surveillance systems and practices, in general, and also to share practical means of addressing common problems in the area of market controls for consumer protection.
3. Discussions at the Forum covered the following groups of issues: the variety of regional and national approaches to market surveillance (legal framework, institutional structure, etc.) and good practices; consumer protection against fraud and misleading information; traceability of imported products; intellectual property rights and fight against counterfeit goods; information exchange systems on dangerous goods; etc.
4. The **first session** was devoted to the promotion of good practices through regional experiences and approaches to market surveillance.
5. Under this segment, presentations were made on the work of the Advisory Group on Market Surveillance ("MARS" Group) by Slovakia, as well as the experience of the Commonwealth of Independent States (CIS), the Nordic Council and Latin America.
6. Delegations were presented with approaches to and concepts of market surveillance, and how it is being carried out in the CIS member States, in Nordic countries and in Brazil. Information was also provided on the basic principles of market surveillance in the European Union and its member States.
7. Information was provided on consumer policies in the European Union (EU) countries, namely, on consumer organizations' participation in preparing national legislation and on matters related to the protection of consumer health and safety (document TRADE/WP.6/2005/2/Add.1).
8. The Czech Trade Inspection presented the common assessment framework (CAF) project, showing how a quality management scheme (CAF) can be used in public administration.

Variety of approaches

9. From the discussions it could be seen that the market surveillance activities in countries in the UNECE region and in other regions were of a large variety. The differences concerned all aspects of market surveillance, such as: legal framework; institutional structure; number of national market surveillance agencies and their functions; and links with consumer protection matters.

10. As an example, on the one hand, at an institutional level, there are countries with dozens of market surveillance bodies (Sweden) and, on the other hand, in Croatia one State agency deals not only with market surveillance but also with labour safety, Intellectual Property Rights (IPR) and other matters. The delegates noted the need for cooperation and coordination on market surveillance and related activities on a national level (such an inter-agency national coordinating mechanism exists in Croatia and Romania).

11. Regarding the interrelationship between market surveillance and consumer protection, it was shown that in the CIS and some other countries consumer protection is part of the responsibilities of market surveillance organs whereas in others (for example, in Bulgaria) it is a separate activity under another State agency. However, no clear agreement exists on a definition of market surveillance. The CIS presented a list of definitions, which referred to market controls as a part of a global process of State control including controls on production phase and certification.

12. The **second session** was devoted to generic issues related to the protection of consumers against fraud and misleading information that are faced by market surveillance authorities.

13. The consumer concerns and work of the International Organization for Standardization (ISO) Committee on Consumer Policy (ISO COPLCO) were presented by a representative of the Swedish Consumer Agency.

14. Issues of misleading labelling were presented by representatives from both the Committee on Food Labelling of the Food and Agriculture Organization (FAO CODEX) and Food Standards Australia/New Zealand.

15. The delegation of FAO presented a possible framework for characterizing misleading food labels and their representation categorized as: truthful and non-misleading; false; and truthful but misleading (document TRADE/WP.6/2005/2/Add.2).

16. The speaker from Food Standards Australia/New Zealand highlighted some practical experiences related to marking and labelling. She noted that misleading labelling should not be considered as a minor issue. For example, in the case of food products, it might influence consumers' choices, thus distorting their diet and leading to health implications.

17. A representative of the Republic of Moldova presented typical problems related to marking encountered by the market surveillance bodies in the CIS (such as the presence of marking on a batch but not on individual products; information presented in a coded form only).

18. Information on how to ensure traceability of imported products and on various approaches to this problem was provided by Slovakia (regarding products already placed on the market) and by Israel (regarding imported products).

19. Success stories in ensuring consistency in the control of goods (toys and others) not meeting regulatory requirements and the resulting significant decrease of the supply of such products were highlighted by the representative of the Slovak Trade Inspection.

20. The representative of Israel spoke about a new system establishing different regimes for releasing imported goods on national market depending on their potential risk for consumers/users.

21. During the discussions on the subject, a similar system in the import regime of Jordan was pointed out.

22. In his presentation, the Belgian delegate raised the issue of whether market surveillance should focus on penalties or preventive measures, presenting examples of his Agency's work (including on mediation).

23. A **special session** was devoted to whether market surveillance can be used as an instrument against counterfeit goods.

24. The representative of the State Agency of Ukraine spoke about the serious problems (including health hazards, in particular for food products) that falsified and counterfeited goods created for consumers as well as the experience of market surveillance authorities in working with private companies. Similar problems with falsified products were noted in other CIS countries.

25. The representative of a private company operating in the Ukrainian market pointed out that, besides economic loss, counterfeit leads to a brand losing its reputation, which can have a detrimental long-term effect for a company. As a result of cooperation with the public market surveillance agency in Ukraine, consisting of public awareness campaigns and deploying mobile testing laboratories for on-the-spot testing of suspected products, the illegal market in counterfeit goods had almost been eliminated for one particular company's brand products within a few years.

26. The representative of the United Kingdom Patent Office stressed the importance of addressing counterfeiting. Besides infringing intellectual property rights (IPR), bringing about a loss in taxes for the State and acting as a disincentive for investors, counterfeiting had become a means of financing crime and terrorism.

27. The capacity building and training of trade inspectors in the United Kingdom and their practical work at a municipal level were also presented.

28. Representatives of Belarus, Bulgaria, Finland, France, Indonesia and the European Commission (EC) participated in a debate that revealed that counterfeits and IPR matters do not always fall under the market surveillance authorities in many European countries, but rather under the responsibility of the Police.

29. The Turkish delegate informed participants that in his country consumer protection and IPR were part of the responsibilities of market surveillance. It was noted that in Slovakia, trade inspection also has the right to deal with IPR infringements related to trade marks and brands.

30. The "MARS" Group presented a proposal for a recommendation on the use of market surveillance as one of the means in the fight against counterfeit goods (TRADE/WP.6/2005/10/Add.1). Delegations were in agreement about the practical usefulness of this approach.

31. An important feature of market surveillance efficiency is the availability of information on potentially dangerous goods placed on the market. Hence, the **last session** of the Forum was devoted to regional information exchange schemes.

32. Two European schemes were introduced: the Rapid Alert System for Non-Food Products (RAPEX) - a mandatory scheme for all EU countries within the EC Directive on general product safety (GPS); and, the Information and Communication System for Market Surveillance (ICSMS) scheme, which involves some European States and industry.

33. The presentation by the Commonwealth of Independent States (CIS) highlighted the current work of these countries in establishing their own regional system, with a similar purpose. The future CIS scheme will cover food, industrial goods, medical devices and some other products.

34. Delegations stressed the importance of information exchange schemes. They cited examples of dangerous products of similar design appearing on different markets. The link between existing and future information schemes was discussed and it was noted that regional schemes should have a compatible technical format.

35. The representative of the United Nations Industrial Development Organization (UNIDO) noted potential interest in the subject for UNIDO trade-capacity-building programmes in developing countries.

36. Delegations agreed on the need for a continuous exchange of information on those products which are covered by existing and future databases, on the criteria for their inclusion, on the methodologies for assessing risks and on the feasibility and forms of involving companies and the private sector in market surveillance.

37. Delegates agreed that further exchange of information and experiences should continue and recommended that the "MARS" Group should contribute to the dialogue among market surveillance authorities in the region.

38. At the conclusion of the Forum, the Working Party:

- (a) Thanked all speakers at the second UNECE International Forum on Market Surveillance and Consumer Protection for their excellent contributions (Mr. P. ASTLEY, *Trading Standards, Warrington Borough Council (UK)*, Mr. E. BELOV, *Federal Agency on Technical Regulating (Russian Federation)*, Mrs. M. BIZGU, *Department of*

Standardization and Metrology (Republic of Moldova), Mr. A. BUBLYK, Procter & Gamble (Ukraine), Ms. N. CHEVALLIER, *European Commission (EC)*, Ms. S. H. DOYRAN, *Joint FAO/WHO Food Standards Programme (CODEX)*, Mrs. M. FISHER, *Food Standards Australia/New Zealand*, Mr. J. FRENCH, *The UK Patent Office*, Ms. B. HREIDARSDOTTIR, *Nordic Council and Nordic Council of Ministers (NORDEN)*, Mr. H. HUHLE, *Zentralverband Elektrotechnik - und Elektronikindustrie (Germany)*, Mr. V. N. KORESHKOV, *Committee for Standardization, Metrology and Certification (Belarus)*, Mr. A. LEVIN, *Permanent Mission of Israel*, Mr. A. LOBO, *National Institute of Metrology, Standardization and Industrial Quality (Brazil)*, Mr. S. LYTVYENENKO, *State Committee on Technical Regulation and Consumer Policy (Ukraine)*, Ms. N. MACHUTOVA, *Slovak Trade Inspection*, Mr. M. PRAZAK, *Czech Trade Inspection*, Mr. J. SJÖGREN, *Swedish Consumer Agency*, Ms. K. STEINLOVA, *Slovak Office of Standards, Metrology and Testing*, Mr. P. VAN VAERENBERGH, *Directorate General Enforcement and Mediation, (Belgium)*; Noted documents on market surveillance issues circulated by Croatia, Israel, Romania, Slovakia, the European Consumer Voice for Standardization (ANEC) and the European Committee for Electrotechnical Standardization (CENELEC);

(b) Requested the secretariat to upload all the presentations on the UNECE WP.6 website: http://www.unece.org/trade/ctied/wp6/other_events/archive.htm

(c) Welcomed the “Guidelines on Good Practices in Nordic Countries” being prepared by the Nordic Council of Ministers and entrusted the WP.6 Office Bearers and the Chair of the “MARS” Group to consider modalities for possible joint actions;

(d) Requested the secretariat, in cooperation with the Chair of the “MARS” Group, to compile a list of items brought forward during the Forum to be included in the Group’s work programme;

(e) Noted the discussion on the proposal (document TRADE/WP.6/2005/10/Add.1) for a new recommendation on the use of market surveillance as a means of protecting consumers against counterfeit goods;

(f) Invited delegations, international and regional organizations to send their comments on the proposal for such a recommendation to the secretariat by the end of February 2006;

(g) Called on the Chairman of the “MARS” Group to consider comments received at the forthcoming meeting of the Group by the end of March 2006, with the view to elaborating a revised proposal for the recommendation to be circulated through the secretariat in advance of the next WP.6 session in June 2006;

(h) Invited the rapporteurs and the “MARS” Group to develop a common vocabulary of terms related to market surveillance in order to foster a coherent understanding of policies and practices in the area.

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