

Summary Notes on the Roundtable Discussion:

Between Consumer Protection and Domestic Products: The Provisions of the Laws and Application Problems

Tuesday 30 October 2018, 10 AM to 12 Noon

Speakers:

Eng. Tariq Tawfiq - President of the American Chamber of Commerce in Cairo

Counselor Hesham Ragab - Member of the Supreme Committee for Legislative Reform

Eng. Hamdy Abdel Aziz – Former Member of the Board of Directors of the Consumer Protection Authority - Representative of the Federation of Egyptian Industries

Mr. Ahmed Eid - Content Management & Development, Promo Media

Moderator:

Dr. Abla Abdel Latif, Executive Director and Research Director, Egyptian Center for Economic Studies

Main Discussion Points:

- The laws of consumer protection, preference of Egyptian products, and intellectual property protection should be linked, since the non-application of the three laws largely relates to the emergence of the informal sector, and proper application could be a good step toward eliminating the informal sector.
- There are 10 guidelines for consumer protection according to the UNCTAD report: physical safety, promotion and protection of consumer economic interests, distribution facilities for basic consumer goods and services, in addition to promoting sustainable consumption, safety and quality standards for consumer goods and services, as well as financial services, national consumer protection policy and e-commerce.
- **International Consumer Protection Experiences:**
 - Experience of the European Consumer Centers: These Centers are responsible for conflict resolution and represent a point of contact for information on products in various European countries.

- India's experience: Civil society organizations organize awareness campaigns of around 20-22 campaigns per year, including school awareness campaigns. These organizations have played a role in resolving 26 cases of disputes.
- **Pillars of the Consumer Protection System:**
 1. Availability of information and specifications.
 2. Achieving the principle of governance.
 3. Capacity of the Authority (in terms of employment and resources).
 4. Dealing with other related authorities.
- The new law represents a major leap in the field of consumer protection, but one of the challenges facing its implementation is the ability of the Consumer Protection Authority to develop itself and train its cadres. It is necessary for the government to support it and provide it with the necessary means so that it can meet the aspirations of the law.
- The pros of the law
 - Increasing the maximum fine (EGP 2 million or twice the value of the product if more than EGP 2 million) and introducing a full chapter on punitive policy.
 - Addressing the problems of consumers with the real estate sector and real estate developers and some items that appear in their contracts.
 - Compliance with providing the consumer with a receipt in all cases.
 - Setting a minimum of two years of guarantee for durable goods.
 - Requiring the supplier to provide maintenance centers for any imported product.
 - The right to return the product within 14 days without giving any reason.
 - Introducing a full chapter on e-commerce.
- The cons of the law:
 - The Authority reports to the Ministry of Supply, despite the fact that the complaints received by the Authority are within the jurisdiction of the Ministry of Trade and Industry (related to manufactured or imported local products).

- The Authority should be **independent of any executive body** to be able to perform its oversight role.
- Referring the details of the executive regulations of the Authority to the Ministry of Supply and not the Council of Ministers may lead to many problems.
- The Authority gets 25 percent of reconciliation receipts in cases of violation of the law as one of the resources of the Authority, which will cause conflicts of interest (the problem of customs previously is a case in point).
- The problem of specifications, especially in connection with cars. Egypt has become a test field for Chinese cars, and it is therefore necessary to have specifications for consumer safety and the environment.
- Although there is an article on real estate, it does not address the issue of delivery, which causes many problems for citizens.
- Absence of provisions dealing with government services and industries.
- Absence of provisions dealing with the role of civil society organizations
- The main risk to consumer protection comes from **the informal sector**, which represents a large proportion of the Egyptian economy.
- The need for solutions to reduce the size of the informal economy in order to make full use of the new law (giving licenses to professionals working in the informal sector is a start toward solving the problem).
- Some sectors did not respond to complaints such as the telecommunications sector, which is an additional evidence of the importance of granting the Authority independence.
- The absence of **technical expertise** to deal with the problems that come to the Authority is one of the challenges that face it, because what is available so far is extremely weak, which is a concern to manufacturers due to lack of sufficient experience to resolve complaints. The Authority was one of the reasons that led factories to upgrade their quality.
- Consumer outreach has become faster and more available, which will help the Authority to disseminate information and awareness. The acceleration of information technology requires the Authority to keep pace with changes, especially as this technology contains means of

measuring the return on some services by mobile phone or social media, which helps create awareness among consumers. In addition, it is important to publish the provisions on the Authority's website, which helps companies to reconcile with the consumer at an early stage.

- **Recommendations:**

- Find ways to control misleading ads such as requiring licenses in a way that does not affect the advertising revenue of the channels, which can be discussed with the Supreme Media Council.
- The importance of implementing the idea of the "observatory" in cooperation with the various regulatory bodies to deal with consumer problems in service sectors such as the Ministry of Electricity and drinking water companies.
- The need to cooperate with civil society associations to assist the Authority, which removes its burden in providing human resources.
- Represent civil society associations in the board of the Consumer Protection Authority, enable it to play its role because its responsibilities are greater than its current size, and enhance cooperation with the regulatory authorities and various state agencies to achieve protection.
- The need for a good representation of the technical expertise on the Board of Directors of the Authority.
- Using the law in contributing to real reforms, such as institutional reform and reducing the size of the informal sector.
- Revision of the executive regulations after issuance and reviewing it with representatives of civil society, because the new law contains substantial changes that made it closer to global practices, but implementation is what truly matters.