Dual quality of products in the single market

2018/2008(INI) - 19/07/2018 - Committee report tabled for plenary, single reading

The Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Olga SEHNALOVÁ (S&D, CZ) on dual quality of products in the single market.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogative as an associated committee in accordance with Article 54 of the Rules of Procedure, also gave its opinion on the report.

The shortcomings of dual quality of products: although the brand name, packaging design and marketing look at a first glance are the same, several researches conducted in different Member States have revealed in the EU Single Market products, which have clearly different compositions from the point of view of the recipe, the basic raw material used or its share in the product, all this depending on the country of their purchase.

Cases of such significant differences concern not only food products but frequently also non-food products, including detergents, cosmetics, toiletries and products intended for babies.

Members underlined that **any such kind of discrimination is unacceptable** and that all EU consumers should enjoy access to the same level of product quality.

The report welcomed the **Commission's recent announcement of initiatives to address this issue**, including the commitment to delivering a common testing methodology, to allocate a budget for its preparation and enforcement and for the collection of further reliable and comparable evidence, and to updating Directive 2005/29/EC on unfair commercial practices. It took note of the mandate given by the European Council to the High Level Forum on Better Functioning Food Supply Chain in order to address the issue of dual quality. It also welcomed the adoption by Parliament of a **pilot project** for 2018 providing for a series of market investigations into several categories of consumer products in order to assess the different aspects of the dual quality.

Commission notice: the report took note of the Commission notice on the application of EU food and consumer protection law to issues of dual quality of products. Members shared the Commission opinion that in the single market, where consumers have a general understanding of the principles of free circulation and equal access to goods, they do not, *a priori*, expect branded products sold in different countries to be differentiated.

Members are not proposing to standardise the products circulating within the single market or to prescribe manufacturers to change the compositions of their products or to determine the exact composition of the individual products. Moreover, they are also aware that there may be objective factors that affect the resulting compositions of products. However, they considered it essential to provide consumers with **accurate and easy-to-understand information** to consumers is key to tackling dual quality of products. Consumer preferences should not be used as an excuse to lower quality or offer different quality grades on different markets.

The report therefore emphasised the importance of informing consumers in a precise and transparent manner that the product they buy or know of from another Member State is different in order to avoid misleading them and distorting the impression given by the purchase product.

Recommendation and further steps: Members drew attention to the fact that the issue of dual quality is directly related to the principles of the functioning of the single market and consumer confidence, both of which are at stake, and therefore requires, in particular, an **EU-wide solution**, in the form of enforcement measures.

The report emphasised the importance of a **public debate** to raise consumer awareness of products and their characteristics. They highlighted the **role of industry** in improving transparency and clarity in the composition and quality of products and any changes made to them. They welcomed the Commission's initiative to develop a **code of conduct** in this regard.

Members welcomed the Commission's proposal on the New Deal for Consumers, which seeks to tackle dual quality of products by amending Article 6 of Directive 2005/29/EC to designate as a **misleading commercial practice** the marketing of a product as being identical to the same product marketed in several other Member States, when those products have a different composition or characteristics. They noted, however, that the proposal also contains some unclear provisions that require clarification in order to ensure proper interpretation and application.

The legislative process should provide a **clear definition** of what can be considered dual quality and specify how each case should be assessed and handled by the competent authorities.

Members recalled that Member States are responsible for the application of Directive 2005/29/EC and should ensure that this is done to ensure that consumers are not misled by unfair commercial practices.