

**First Session of the Intergovernmental Group of Experts on Consumer Protection Law and Policy**

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Statement by Mr. C.R. Chaudhary,

Minister of State for Consumer Affairs, Republic of India during

High Level Segment on Launch of Revised UN Guidelines for Consumer Protection

[Geneva: 17 October 2016; 10.00-11.00 am]

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Respected Chair,

Excellencies, learned delegates,

Ladies & Gentlemen,

1. On behalf of the Indian Delegation, I extend a warm welcome to all of you to this meeting of the1ST Inter-Governmental Group on Consumer Protection Law and Policy. I feel highly honoured to address you on behalf of my country.
2. It is a matter of great pleasure that we have participants from across the globe. This is a forum which facilitates greater engagement, better mutual understanding and provides a good opportunity for formation of strategies for taking forward the agenda of Consumer Protection asper present day requirement.
3. Consumer rights contribute towards a fairer, safer and healthier society, and a more equitable and efficient economy. The realization of consumer rights will also contribute to the achievement of many of the goals included in the Sustainable Developmental Goals (SDGs), particularly those relating to equitable economic growth, improved health, water and food.
4. The current economic environment and rapid societal and technological changes have led to new trends in consumer habits and new challenges for consumer protection across the countries. The consumption patterns have significantly changed since the UN Guidelines for Consumer Protection (UNGCP) came into effect, more than 30 years ago, and will continue to evolve in the coming decades. In India we have identified emerging challenges not only regarding products, services and food safety, but also associated to the digital revolution, and to sustainable consumption. There are also Sector-specific challenges in key sectors, which need priority attention such as food, energy, transport, electronic communications and financial services.

Mr. Chairperson,

1. The recent decade has seen a significant transformation of the financial landscape shaped by the forces of globalization, advances in technology, the trend towards greater market orientation and financial innovation. The most significant and outstanding trends come from the digital environment. The development of new digital products and services the use of internet for purchasing purpose, the development of new forms of payment, raise a number of issues with regards to consumer protection. Two decades earlier or even 10 years ago, no one could have imagined the impact of digital technologies on the average Indian. For starters, the numbers are mind boggling. The total number of Indians with access to a cell phone is already close to a billion. The number of people in the country today with Internet access is already 300+million-the size of the US population. Over the next decade, this number is expected to rise to 800+ million. This dramatic increase is going to be accompanied by a change in the profile of the average user. The first 100 million ‘digital Indians’ were largely men, urban, educated, earning higher incomes and typically young. The 400 to 500 millionth ‘digital Indians’ are going to be the opposite-rural, mid-income, older, with more women included. This digital democratization will have a profound impact on how Indians see, select, study, spend, save, socialize and sell. Digital technologies will save, socialize and sell. Digital technologies will fundamentally change the nature of these interactions. e-commerce therefore is one of our priority focus areas.

Mr. Chairperson,

1. India’s rate of urbanization has been different from most other countries. We estimate that about 40% of Indian’s population will live in urban areas by 2025, accounting for more than 60% of the total consumption. India’s rural market is also huge, and it has its own set of challenges. To tap this huge market potential large number of companies are operating in various sectors. Most of these companies are successful in terms of profitability, sales revenue line and even market share and growth rates. High growth of business also brings with it more issues concerning the consumers such as unfair pricing, product safety, and quantity and quality assurance.
2. Our country has a long history of addressing concerns of the consumers. Mahatma Gandhiji firmly called for Consumer Focus for the businesses. He said “*A customer is the most important visitor on our premises. He is not dependent on us. We are outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so*”. There are some businesses which believe in this philosophy and have developed ethical codes for business practice, and have robust systems of consumer grievance redressal. However, the inherent profit motive in mass production and sales also offered various opportunities to some of the manufacturers and dealers to exploit consumers. Each day, unscrupulous market practices are finding their way into our daily lives, violating consumer rights and jeopardizing their safety. That is precisely the time when the Governments have to steps in and protect consumer interest. Effective consumer protection and competition frameworks are essential features of good governance. Policy, legal and regulatory framework reform to address the consumer plight, consumer awareness, empowerment, information and outreach remains key to address the evolving global market trends, life styles and related challenges of scams, crime and fatalities.
3. I am happy to share with this August gathering that India was one of the first countries to enact a comprehensive Consumer Protection Act in 1986, immediately after the UNGCP came into being in 1985. Our three tier system of Consumer Dispute Redressal through quasi-judicial bodies is a unique concept, which ensures a quicker and less costly relief to the consumers. Our Government has tabled a new Consumer Protection Bill in the Parliament, drawing from the latest and the best global practices. Through this new legislation we aim to address the consumer issues in a comprehensive manner offering executive, quasi-judicial and judicial remedies.
4. In addition to the strengthening of legal framework, the Government of India is also laying greater emphasis to consumer education and working with the goal of reaching the next level, from Consumer Protection to consumer empowerment. To achieve this goal the Government is offering a range of services such as National and State Consumer Helplines, Publicity Campaigns through Jago Grahak Jago, which means “Wake-up Consumer, wake-up”, funding of academic institutions and voluntary consumer organisations in conducting Consumer Awareness Programmes, and involvement of Industry Associations and Chambers of Commerce in Policy Consultations and Joint campaigns. Recently, the Government has also constituted a Task Force for studying the UN Guidelines and to suggest the way forward.
5. India is spending about 30-50 million US dollars on consumer protection annually and has initiated a number of consumer centric schemes based on the broad fundamentals of consumer awareness, standard and conformity assessment and inexpensive and quick redressal. Some of the important recent initiatives are—
* Launch of a portal ‘Grievance Against Misleading Advertisements (GAMA)’ to handle complaints of consumers relating to misleading advertisements
* Issuance of guidelines on Direct Selling
* Online case monitoring system in the Consumer For a
* E-filing of complaints by consumers in Consumer Fora is under process
1. Grahak Suvidha Kendras as a one stop center to provide a host of services to consumers under one roof. Such as information dissemination, consumer awareness, mediation, grievance redress, assistance in filing complaints before the relevant consumer forum and counseling.
2. The approach and mechanisms adopted to protect consumers in individual jurisdictions may vary from one country to another, given the unique characteristics prevailing in the different respective economies and financial systems. Consideration of country-specific circumstances and contextualization is important to evolve relevant and effective consumer protection and education infrastructures. Individual countries need to customize the consumer protection and education framework to their environment, taking into account factors such as the stage of economic and regulatory development, the structure of the financial system and the level of consumer sophistication.
3. Under the dynamic leadership of Prime Minister, Mr. Narendra Modi, existing India’s Consumer Protection Act-1986 is being replaced by a consumer friendly legislation, with a forward looking approach including protection of consumer’s rights while transacting through e-commerce.
4. This bill has been developed through extensive stakeholder consultation and study of best practices across the world. While drafting the Consumer Protection Bill-2015, special emphasis has been made to ensure simplicity, speed, access, affordability and timely delivery of justice. In true sense it is a futuristic bill and a great transformative step towards strengthening consumer protection and giving a clear message by the Prime Minister Mr. Narendra Modi that **‘Consumer is the King’.**
5. Forums like this provide a good opportunity for countries to share information and insights, to discuss the issues and challenges at hand, explore potential areas for cooperation and lay the groundwork for future partnerships. Drawing on the experience and expertise of various countries, I hope this forum would provide a platform for participants to develop, share good practices, take stock of the States of Consumer empowerment in various jurisdictions and to plan for the future.
6. I look forward to the outcome of your deliberations in fostering greater consumer protection and education. Together we can make a huge difference to the life of a consumer.

Thank you

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