



AEC BLUEPRINT 2025 ANALYSIS

An Analysis of ASEAN Consumer Protection Policy

Foreword

The following report is part of a series which attempts to provide a detailed analysis on the ASEAN Economic Community (AEC) Blueprint 2025. Each report will cover a single element of the blueprint, providing a comprehensive look at past achievements, present problems, and the future plans of the AEC. Special attention will be placed upon the strategic measures outlined in the AEC Blueprint 2025. This report aims to provide insight into the viability surrounding regional economic integration under the AEC.

Consumer Protection Policy

In supporting the development of a people-centred economic region, ASEAN has put a high priority in implementing measures to promote consumer protection. Consumers are an important stakeholder in the integrated economies of ASEAN and countries have committed to work together to ensure that the rights of the consumers are well protected in the process of integrating the ASEAN economies report provides some useful information in the work that has been carried out by ASEAN Member States, reflecting on the AEC Blueprint 2015, the current challenges and the next stage under the AEC Blueprint 2025.

A. Targets under the AEC 2015 Blueprint

• AEC Blueprint 2015

- With the objective of accommodating the interests of consumers in the economic integration of ASEAN, the 2015 Blueprint outlines three actions:
 1. ASEAN member states would establish the ASEAN Coordinating Committee on Consumer Protection (ACCCP).
 2. Simultaneously, member states would also establish a network among the consumer protection agencies to facilitate information sharing and exchange.
 3. During the implementation period, member states would engage in capacity building by organising regional training courses for officials in charge of consumer protection in preparation for an integrated ASEAN market.
- Under the Blueprint 2015, these strategic actions did not have any specific schedule for implementation, most likely because it was a very new initiative and was still in its early stages of development and implementation.
- As of January 2014, eight member states had principal consumer protection acts. Gradual progress was achieved by end of 2015 with nine member states having their acts. Cambodia will enact its Consumer Protection Law by end of 2016.

• ASEAN Committee on Consumer Protection (ACCP)

- The ACCP was established in 2008 to work on consumer protection legislation, consumer access to information on recalled/banned products, information digests on consumer protection issues and models for cross-border consumer redress mechanism, capacity building for relevant officials, and advocacy of consumer protection.

B. Significant Achievements To Date

- In general, the three strategic actions were all implemented to different extents. Member countries have enacted several laws that target the practices by the supply side participants that may harm the interests of consumers.
- Following similar initiatives in the European Union (EU), Australia and other ASEAN partners, ASEAN member states have made significant progress in dealing with practices and conducts that are misleading, aggressive and unfair. A summary of ASEAN's relevant laws are shown in the table below:

RELEVANT LAWS ON CONSUMER PROTECTION IN ASEAN (1)			
Country	General prohibitions on misleading conduct	General prohibitions on aggressive practices	General prohibitions on unfair advantage taking
Brunei	Consumer Protection (Fair Trading) Order 2011 s 4(a)	N/A	Consumer Protection (Fair Trading) Order 2011 s 4(c)
Cambodia	Law on the Management of Quality and Safety of Services and Services 2000 article 21	N/A	N/A
Indonesia	Law on Consumers' Protection 1999 article 7, 9 – 11	Law on Consumers' Protection 1999 Art 15	N/A
Laos	N/A	N/A	N/A
Malaysia	Consumer Protection (Amendment) Act 2010 Part II	N/A	Consumer Protection (Amendment) Act 2010 s 24C
Myanmar	Consumer Protection Law 2014 s 13	Consumer Protection Law 2014 s 13	N/A
Philippines	Consumer Act of the Philippines Title III Chapter 1 Art. 50-51 and Chapter VI	N/A	Consumer Act of the Philippines Title III Chapter 1 Art. 52
Singapore	Consumer Protection (Fair Trading) Act 2003 s 4(a)	Consumer Protection (Fair Trading) Act 2003 schedule 2 s 12	Consumer Protection (Fair Trading) Act 2003 s 4(c)
Thailand	Consumer Protection Act 1979 ss 4(1) and 22	Consumer Protection Act 1979 s 4(2)	N/A
Vietnam	Law on Protection of Consumers' Rights 2010 Articles 8 and 10	Law on Protection of Consumers' Rights 2010 Articles 10(2) and (3)	Law on Protection of Consumers' Rights 2010 Article 10(3)

- ASEAN have also agreed that there is a need to address the practice of limiting the rights of consumers in contracts and to ensure that consumers are being treated in a fair manner in every transaction. The UK and Australia have provided good examples for ASEAN in dealing with issues related to it. The table below summarises efforts by several ASEAN members:

RELEVANT LAWS ON CONSUMER PROTECTION IN ASEAN (2)		
Country	Controls on exclusion clauses	General prohibitions on unfair contract terms
Brunei	Unfair Contract Terms Act 1999	N/A
Indonesia	Law on Consumers' Protection 1999 Article 18	N/A
Malaysia	N/A	Consumer Protection (Amendment) Act 2010 s 24D
Singapore	Unfair Contract Terms Act 1996	Consumer Protection (Fair Trading) Act 2003 Schedule 2 s 11
Thailand	N/A	Unfair Contract Terms Act 1997
Vietnam	N/A	Law on Protection of Consumers' Rights 2010 Article 16 (list of prohibited terms)

Source: ASEAN 2016

- In further promoting consumer protection and ensuring the rights of consumers in ASEAN, the ACCP has commissioned a study on complaint systems and redress mechanisms for ASEAN (2014). Supported by Australia, the study came up with reports on **ASEAN Complaint and Redress Mechanism Models and Guidelines for the Selection and Implementation of Complaint and Redress Models**. These reports are expected to provide assistance to consumer protection officials in identifying and reviewing the most appropriate models for internal complaint handling systems and external redress schemes for implementation in their jurisdictions.
- In addition, Australia also supported a project to support research and dialogue on consumer protection. The project resulted in two volumes of **Consumer Protection Digests and Case Studies: A Policy Dialogue**. These two volumes aimed to enhance knowledge and understanding of new and emerging consumer protection concerns and to assist the development of policies based on experiences and lessons learned.
- As follow ups to the reports, two ASEAN Consumer Protection Conferences have been held in December 2014 and December 2015, respectively. The conference served as a platform in the discussion on emerging issues and identified challenges drawn from the policy digests and case studies. The conference focused on consumer product safety legislation, the use of warranties and guarantees, enforcement and remedies, recalls and redress, and institutional design and effectiveness of consumer and competition agencies.
- An important progress in ensuring that consumers are able to voice their concerns and complaints is the launch of the **ASEAN Consumer Portal** (www.aseanconsumer.org). the portal allows the visitors to:
 1. Lodge a complaint or claim against any loss incurred (from any goods or services purchased) in a simple and efficient manner and at minimal cost;
 2. Identify the recalled or banned products in each member state;
 3. Consult on the existing consumer protection legislation in each member state.
- In 2015, the ACCP developed consumer protection manuals on six core areas: (i) product safety and labelling, (ii) phone and internet services, and e-commerce, (iii) consumer credit and banking; (iv) environment; (v) healthcare services; and (vi) professional services. These manuals are expected to improve the member states' capacities in adopting and implementing consumer protection laws and to strengthen technical capabilities in addressing consumer concerns and demands.

C. Current Issues and Challenges

- The remaining one country that is currently still developing its consumer protection laws is expected to have it completed by end of 2016.
- Given that consumer protection is quite a new area under the AEC, ASEAN member states are in different stages of implementing the necessary measures to promote protection and fair treatment for consumers in their jurisdictions. It is then imperative that member states are able to coordinate their policies and laws. While significant harmonization has taken place across member states, more can needs to be done in this area.
- The current status of liability regimes is still varied across member states, and this may pose problems especially for small value claims/complaints within the existing dispute resolution mechanisms.

D. Plans under the AEC 2025 Blueprint

- Compared to the AEC Blueprint 2015, the new Blueprint 2025 has shifted and deepened its priorities to touch upon more pressing issues to develop the infrastructure of ASEAN consumer protection initiative. The AEC Blueprint 2025 aims to address obstacles that have made it difficult for ASEAN consumers to receive proper protection and fair treatment such as lack of supporting policies and laws, low level of awareness on the importance of consumer protection and on available dispute settlement mechanism, massive gaps in the implementation of consumer protection across the ASEAN region, and insufficient technical capabilities of officials especially in the newer member states.
- While this is a good indicator that member countries are taking consumer protection more seriously, they need to work more on the implementation side, while continuously consult the relevant stakeholders that are involved in the provision of fair treatment for ASEAN consumers.

E. AEC 2025 Blueprint Analysis

Strategic Measure	Current Status and Development
1 Common ASEAN consumer protection framework	
<ul style="list-style-type: none"> • Establish a common ASEAN consumer protection framework through higher levels of legislation, improve enforcement and monitoring of legislation, and make available redress mechanisms, including alternative dispute resolution mechanisms 	<ul style="list-style-type: none"> • At present, nine member states already have their Principal Consumer Protection Acts, and Cambodia is expected to enact its law by end of 2016. • Two volumes of Consumer Protection Digests and Case Studies: A Policy Guide have been published to provide assistance in the consumer protection mechanisms through highlighting of key issues and emerging concerns. • The ACCP has commissioned a study on ASEAN complaint and redress mechanism models, and the relevant guidelines for the selection and implementation of those models.
2 Consumer empowerment and knowledge	
<ul style="list-style-type: none"> • Promote a higher level of consumer empowerment and knowledge by addressing consumer concerns as well as enhancing consumer knowledge and advocacy 	<ul style="list-style-type: none"> • The ASEAN consumer portal (www.aseanconsumer.org) serves as a platform for ASEAN consumers to learn about recalled/banned products and existing legislations in member states, and to file a complaint/claim, even for cross-border purchases. • The ASEAN Consumer Protection Conference has been held twice (2014 and 2015) and attended by all stakeholders: representatives from the relevant ASEAN sectoral bodies, government agencies, the private sector, academicians and consumer organisations, to ensure that the what has been achieved was properly disseminated to the relevant stakeholders in consumer protection.

Strategic Measure	Current Status and Development
3 Consumer confidence and cross-border commercial	
<ul style="list-style-type: none"> Build higher consumer confidence and cross-border commercial transactions by strengthening product safety enforcement, stronger participation of consumer representatives, and promotion of sustainable consumption 	Same as above
4 Harmonisation of CPL Policies	
<ul style="list-style-type: none"> Encourage consumer-related matters in ASEAN policies through impact assessment of consumer protection policies and development of knowledge-based policies 	<ul style="list-style-type: none"> Workshops and seminars have been organized in different topics such as strengthening technical capabilities of officials, raising public awareness, consumer protection administration and management, and building defective product recall system.
5 Consumer protection measures in goods and services sector	
<ul style="list-style-type: none"> Promote consumer protection measures in products and services sectors such as finance, e-commerce, air transport, energy and telecommunications 	<ul style="list-style-type: none"> The ACCP has developed manuals that would enhance and support the ASEAN consumer protection officials in implementing the relevant policies and laws. The manuals cover six areas: product safety and labelling, phone and internet services (including e-commerce), consumer credit and banking, environment, healthcare services, and professional services.

F. Conclusion: Moving Forward with the AEC 2025 Plans

- Other ASEAN member states, if necessary, should provide greater support to each other in developing the laws and policies to promote consumer protection to ensure that the ASEAN economic integration is really a people-centred community
- ASEAN needs to continue to develop the much needed infrastructure in ensuring fair treatment and protection to consumers. This would cover development and enactment of relevant regulatory framework, uniform liability regimes across member states and strong institutions that would allow ASEAN consumers to fully comprehend their rights and obligations, to understand the existing policies and laws (including those in other jurisdictions), and to proceed easily and efficiently when lodging complaints and claims.
- The ASEAN portal for consumer protection (www.aseanconsumer.org) needs to be continuously refined and upgraded to make it more informative and user-friendly for ASEAN consumers in seeking information, consulting with authorities and making claims. This is important given that for cross-border transactions and settlements, the internet is the most useful vehicle and medium.
- The workshops and conferences must continue and should involve the private sector and consumer representatives more in the consultations to ensure that the interests of the stakeholders are well represented in the implementation of the initiative.

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