



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 January 2006

**5091/06
ADD 1**

**COMER 8
WTO 1**

ADDENDUM TO PROPOSAL

from: the Commission
dated: 20 December 2005

Subject: Annex to the Proposal for a Council Regulation on the indication of the country of origin of certain products imported from third countries

Delegations will find attached an addendum to a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Javier SOLANA, Secretary-General/High Representative.

Encl.: SEC(2005) 1657



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.12.2005
SEC(2005) 1657

COMMISSION STAFF WORKING DOCUMENT

Annex to the

**Proposal for a
COUNCIL REGULATION
on the indication of the country of origin of certain products imported from third
countries**

IMPACT ASSESSMENT

{COM(2005) 661 final}

TABLE OF CONTENTS

| | |
|---|----|
| 1. INTRODUCTION..... | 3 |
| 2. WHAT ISSUE/PROBLEM IS THE PROPOSAL ON ORIGIN MARKING EXPECTED TO TACKLE?..... | 3 |
| 2.1. What is the issue/problem? | 3 |
| 2.2. Legal aspects | 3 |
| 2.3. Economic aspects | 4 |
| 2.4. What are the risks inherent in the current situation..... | 5 |
| 2.5. Who is affected? | 5 |
| 3. WHAT MAIN OBJECTIVE IS THE POLICY/PROPOSAL EXPECTED TO REACH?..... | 5 |
| 3.1. What is the overall policy objective in terms of expected impacts? | 5 |
| 3.2. Has account been taken of any previously established objectives? | 6 |
| 3.3. Lisbon Agenda | 6 |
| Intellectual Property Strategy | 7 |
| Commission’s Communication on the future of textiles..... | 8 |
| 4. WHAT ARE THE MAIN POLICY OPTIONS AVAILABLE TO REACH THE OBJECTIVE?..... | 8 |
| 5. WHAT ARE THE IMPACTS – POSITIVE AND NEGATIVE – EXPECTED FROM THE DIFFERENT OPTIONS IDENTIFIED?..... | 9 |
| 5.1. General considerations | 9 |
| A scheme only applied to some products..... | 9 |
| Cost of an origin mark..... | 10 |
| Small and medium enterprises | 11 |
| EU decision making process | 12 |
| 5.2. Specific options | 12 |
| To develop an EC regulation for some sectors covering domestic production and imported goods under a voluntary approach | 12 |
| ▪ Impact on industry..... | 12 |
| ▪ Impact on consumers:..... | 12 |
| ▪ Impact on administrations | 12 |
| ▪ Impact on third countries..... | 13 |
| To develop an EC regulation for some sectors covering domestic production and imported goods under a compulsory approach..... | 13 |
| ▪ Impact on industry..... | 13 |
| ▪ Impact on consumers..... | 13 |
| ▪ Impact on administrations: | 14 |
| ▪ Impact on third countries..... | 14 |
| To develop an EC regulation for some sectors covering only imported goods under a compulsory approach | 14 |
| ▪ Impact on industry..... | 14 |
| ▪ Impact on consumers..... | 14 |
| ▪ Impact on administrations | 15 |
| ▪ Impact on third countries..... | 15 |
| The “no change” option..... | 15 |
| Summary (please report in the table the changes I made in the text – notably on the different cost for administration between option 2 and 3) | 16 |

| | | |
|-------|---|----|
| 6. | HOW TO MONITOR AND EVALUATE THE RESULTS AND IMPACTS OF THE PROPOSAL AFTER IMPLEMENTATION? | 19 |
| 7. | STAKEHOLDER CONSULTATION | 20 |
| 7.1. | General consultation | 20 |
| 7.2. | Specific consultation | 21 |
| 8. | COMMISSION DRAFT PROPOSAL AND JUSTIFICATION | 21 |
| 9. | Organisation of the consultation process | 23 |
| 9.1. | Industry and trade unions | 23 |
| 9.2. | Consumers | 23 |
| 9.3. | Member States | 23 |
| 10. | Data concerning Consumers | 24 |
| 10.1. | Questionnaire and replies | 24 |
| 10.2. | List of Participants | 26 |
| 11. | Data concerning sectors covered by the initiative | 27 |
| 11.1. | Questionnaire | 27 |
| 11.2. | Replies | 27 |
| 11.3. | Textiles statistics on imports | 34 |
| 12. | Member States legislation on origin marking | 38 |
| 13. | Consultation on line: EC regulation on origin marking (“made in”) | 41 |
| 13.1. | Summary of the results | 41 |
| 13.2. | Replies | 43 |

1. INTRODUCTION

In December 2003 the Commission submitted to the 133 Committee a working document on an EU origin marking scheme following a renewed interest shown on the subject by some Member States and some sectors of the EU industry. The paper analysed the implications and possibilities to develop such a scheme, the regulation applied by third countries and proposed several options to launch the debate on the issue.

In the first half of 2004, the Commission launched a consultation process involving the main stakeholders: industry, trade unions, consumers and other institutions. The results of the consultation were submitted to the 133 Committee in July 2004. The 133 Committee invited the Commission to further explore feasible options on the basis of new consultations, and to submit a recommendation to the Council.

In parallel, the Commission's Communication on the future of the EU textiles and clothing industry in the enlarged European Union¹ also underlined the contribution that an origin marking scheme would make to the competitiveness of the sector. Finally, in the Communication on textiles and clothing after 2005 - recommendations of the High Level Group for Textiles and Clothing² - the Commission affirmed that it was ready to study whether an initiative on origin marking was likely to improve the competitive position of the EU industry on its home market.

2. WHAT ISSUE/PROBLEM IS THE PROPOSAL ON ORIGIN MARKING EXPECTED TO TACKLE?

2.1. What is the issue/problem?

2.2. Legal aspects

At present, there is no EC legislation on origin marking for industrial products (legislation is in force in relation with some agricultural products). Some Member States (MS) regulate the issue at national level, which results in a heterogeneous legal picture, as individual MS consider different criteria to determine the country of origin for marking purposes. Other MS have no regulations on the issue. In short, the meaning of "made in" is not the same in all the EC's member states³.

In the EU, producers are free to mark their products depending on whether they consider that this would be in their interest and this seems to be a normal practice.⁴ However, the lack of regulation in some MS and the coexistence of different concepts of "country of origin" for marking purposes in other MS increase the risk of consumers being misled by inaccurate, deceptive or false origin marks⁵.

¹ COM(2003) 649 final

² COM(2004) 668 final

³ See section 12 about Member States legislation on origin marking in the annex.

⁴ In fact 82.5% of consumers consider that the products included in the initiative have normally or almost always a "made in..." claim. 85% of producers declare also to fix origin claims on their production, 91.4% of retailers also declare that the products they sell have origin marks. See section 13 in the Annex.

⁵ I.e. Chinese products with a "made in Italy" claim.

In addition, there is no clear obligation under EC law for administrations to act against such misleading practices: false origin marks are not covered by Regulation (EC) No 3295/94⁶ of 22 December 1994 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods or by Council Regulation (EC) No 1383/2003⁷, of 22 July 2003, concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights. The same holds true for Directive 2004/48/EC of 29 April 2004 on the enforcement of intellectual property rights, which concerns measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights in the internal market but which does not apply to inaccurate, deceptive or false origin marks not related to the infringement of IP rights such as trade marks. All these regulations refer exclusively to intellectual propriety rights, so that origin marking remains outside their scope. It is also unclear whether the Directive 84/450/CEE⁸ of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising, would cover labels on the product with the name of the country of origin. According to Directive 2005/29/EC of 11 May 2005 of the European Parliament and the of the Council concerning unfair business-to-consumer commercial practice in the internal market and amending Council Directive 84/450/EEC, Directoves 97/7/EC, 98/27/EC, and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive')⁹ consumers may attach commercial value to information on the geographical origin of a good. According to this Directive, where false or misleading information about the geographical origin leads a consumer to buy a product which he would not have bought otherwise, this may constitute an unfair commercial practice. This directive does not mandate that information on the geographical origin of goods be provided, nor does it define the concept of origin.

According to EC legislation on product safety (Directive 2001/95/EC on General Product Safety), producers shall adopt measures enabling them to "be informed of risks which the products might pose" and to "choose to take appropriate action". These measures include, for example, "an indication, by means of the product or its packaging of the identity and details of the produce" (article 5.1, paragraph 4 of Directive 2001/95/EC). These provisions do not as such imply a mandatory indication of the country of origin.

In conclusion, there are three main weaknesses in the EC legal framework in respect of origin marking: a) the lack of a common definition of country of origin; b) the lack of common rules for marking purposes and c) the lack of common rules on controls to avoid misleading or false origin marks.

2.3. Economic aspects

The current absence of clear regulations on origin marking negatively affects not only consumers, who may be deceived as to the origin of their purchases, or denied information on that origin, but also the competitiveness of the EC industry. The introduction of an origin mark can contribute to make demanding Community standards work in favour of the Community industry, especially small and medium enterprises. It will also help to prevent the

⁶ OJ 1994 L 341/8

⁷ OJ 2003 L 196/7

⁸ OJ 1984 L 250/17

⁹ OJ 2005 L 149/22

reputation of the Community industry being tainted by inaccurate claims of origin. Improved transparency and consumer information about the origin of goods will thus contribute to the objectives of the Lisbon agenda.

The EC's main trading partners, i.e. US, Canada, Japan, China amongst others, impose compulsory origin marking for imported goods. Some of those marking schemes cover all products (US) and some other are limited to some specific consumer-sensitive sectors only (Canada). In these countries, a product that is not properly marked cannot be released for free circulation. In this case, different types of penalties are applied. This situation creates an imbalance. On one hand, the EC exports must comply with origin marking requirements of third countries. On the other hand, the EC does not impose any obligation on origin marking to products of third countries products that are imported into the EC.

2.4. What are the risks inherent in the current situation

In the medium and long term, the EC competitiveness of a number of sectors may be severely affected. Deceptive practices on origin marking have risen during recent years and threaten to become a generalised phenomenon¹⁰. Textiles, clothing and footwear are amongst the products carrying most frequently misleading or false origin marking. The increasingly important volume of imports in the EC of these products from countries like China since the end of the quotas has led to ever growing calls for prompt action on this issue.

2.5. Who is affected?

The issue of origin marking affects all economic operators: producers, retailers, importers, consumers, and in particular, SMEs.

3. WHAT MAIN OBJECTIVE IS THE POLICY/PROPOSAL EXPECTED TO REACH?

3.1. What is the overall policy objective in terms of expected impacts?

The present proposal pursues three basic aims:

1. to restore a situation of fair international trade for EC producers,
2. to improve consumer information and therefore choice,
3. and to foster EC industry competitiveness as a contribution to the Lisbon agenda.

Specific objectives consist in contributing to the elimination of deceptive and false practices, the provision of consistent information to consumers on the country of origin of products.

The success of these objectives will be reflected by: 1) the reduction/elimination of cases of false/misleading claims on products imported into the EC, 2) levels of satisfaction of consumers referred to information provided through the country of origin of the products/confidence on the information provided on the product and, finally, 3) levels of satisfaction of EC producers as to the information they can communicate and a lower incidence of deceptive practices they have to fend off in the market.

¹⁰ See section 13 in the annex: 76.5% of consumers feel misled by the information provided on products they purchase. 84% of producers and 76% of retailers have experienced unfair competition from products with false or inaccurate "made in" marks. See also section 11 in the annex about Data concerning sectors covered by the initiative.

In terms of operational objectives, the proposal pursue the application in the EC of a common definition of the country of origin for marking purposes, the establishment of common requirements for claims of country of origin on goods imported from third countries and the regulation and implementation of controls by EC administrations to verify the accuracy of information provided by origin marks. It is understood that an origin marking scheme cannot aim to guarantee the exhaustive reliability of origin markings, but must be seen as contributing, through targetting and preventive effects, to increased transparency, and reduced incidence of deceptive and false practices. This should be helped where private stake-holders are involved like within the scope of Directive 2005/29/EC.

| General objectives | Specific objectives | Indicators |
|--|--|---|
| To restore a situation of fair international trade | The elimination of deceptive/false practices on origin marking | The reduction/elimination of cases of false/misleading claims on products imported into the EC |
| to enhance consumers' choices | the provision of consistent information to consumers | Levels of satisfaction of consumers referred to information provided through the country of origin of the products/ confidence on the information provided on the product |
| to foster EC industry competitiveness. | effectively communicate origin information as may be associated with non-price factors | Levels of satisfaction of EC producers as to the information they can communicate and a lower incidence of deceptive practices they have to fend off in the market |

| Operational objectives |
|---|
| the application in the EC of a common definition of the country of origin for marking purposes |
| the establishment of common requirements on how and when to apply claims of country of origin |
| the regulation and implementation of controls by EC administrations to verify the accuracy of information provided by origin marks. |

3.2. Has account been taken of any previously established objectives?

These objectives are aligned with the Lisbon agenda strategy, the Commission strategy for IPRs issues, as well as the Commission's Communication on textiles.

3.3. Lisbon Agenda¹¹

An origin marking scheme could contribute to "step up the process for competitiveness of EC industry and innovation and completing the internal market". It should be regarded as part of a positive strategy which combines competitiveness and social cohesion, as mentioned in the Lisbon agenda. The competitiveness and dynamism of businesses are directly dependent on a regulatory climate conducive to investment, innovation, and entrepreneurship. European institutions, national governments and regional and local authorities were encouraged to pay

¹¹ Council Presidency Conclusions of the Lisbon European Council on 24 March 2000.

particular attention to the impact and compliance costs of proposed regulations on industry, especially for SMEs.

To regulate information provided to consumers on the country of origin of products marketed in the EC can become a very useful instrument to make the application of exigent EC standards work in favour of the EC industry, especially SMEs. In fact, the high quality and standards of the EC products should be highlighted to consumers through the information on the country of origin. This way, EC consumers would dispose of additional elements other than price when taking their purchase decisions.

Origin marking was pointed out by some sectors¹² as a possible incentive to attract investment in the EC and the maintenance of SMEs in Europe. It is clear that SMEs are among the most interested actors in the initiative and possibly the main beneficiaries of it.

Finally, the introduction of an element of homogeneity in the definition of the country of origin for marking purposes allows for homogeneous control patterns for imports in the EC internal market. This is another aspect reflecting the aims of the Lisbon agenda and, specifically, the completion of the internal market.

Intellectual Property Strategy

Within the Community and at its external borders there have been a number of important initiatives in recent years to strengthen control against imports of fake goods¹³, improving the mechanisms for customs action against counterfeited or pirated goods¹⁴ and harmonising the rules on enforcement of intellectual property rights within the Community¹⁵. In its Strategy for the enforcement of IPR in third countries, the Commission fixed as one of its purposes to enhance co-operation with right-holders and other private entities concerned, by seeking their input on the identification of priorities and establishing public-private partnerships in fields like technical assistance, information to the public, etc.

Some of the sectors included in the initiative of an origin marking are highly affected by IPRs violations¹⁶. The general consultation process showed different industries arguing quite forcefully that an EC origin marking scheme could contribute to the fight against counterfeiting. In terms of enforcement of IPR, the EU is an important destination of pirated and counterfeited goods. In this line, some sectors considered that an origin marking scheme applied in the EC would serve as an additional element to enforce properly legislation on IPRs. The idea is that the detection of false origin marks on products could be an indication or evidence of IPRs violations (e.g. a Chinese product with a “made in France” origin mark could correspond also to a faked French trademark). In fact, faked trademarks would usually be accompanied by faked origin marks.¹⁷ While the Commission does not consider that a compulsory origin marking system would in and of itself be a decisive means to combat IPR

¹² See the results of the general consultation process “Consideration of an EU origin marking scheme – consultation process, analysis and next steps”.

¹³ Regulation (EC) No 3295/94

¹⁴ Regulation (EC) 1383/2003

¹⁵ Directive 2004/48/EC

¹⁶ “Survey on enforcement of intellectual property rights in third countries”, July 2003, DG TRADE, http://europa.eu.int/comm/trade/issues/sectoral/intell_property/survey_en.htm.

¹⁷ See section 11 in the annex about Data concerning sectors covered by the initiative. Data offered by industry usually referred to goods with counterfeited trademarks and false origin marks at the same time.

infringements, it does recognise that in certain cases it could provide a complementary means to detect such infringements.

Commission’s Communication on the future of textiles

The introduction of an EC origin marking scheme was specifically mentioned in the Communication as a possible action to strengthen the sustainable competitiveness of the textiles and clothing sector in the EC. European textiles and garments are often associated in the minds of the public with excellence and high-class design¹⁸. An appropriate regulation on origin marking could help increase the confidence of consumers on the fact that the price paid for a garment produced in the EC corresponds to the highest standards of production and style expected from EC manufacturing.

Finally, and as a positive corollary, origin marking may help to trace defective products and therefore help enforcers to control safety requirements, e.g. in the context of notifications to the Rapid Alert System for non-food products.

4. WHAT ARE THE MAIN POLICY OPTIONS AVAILABLE TO REACH THE OBJECTIVE?

A regulation on origin marking regulates how origin marks are used and applied to the products and it can be modulated on the basis of several criteria. Firstly, it can cover only goods produced in third countries (imported goods), or goods produced in the EC as well (domestic production). Secondly, it can create an obligation to fix on the product the name of the country of origin (compulsory) or leave this use of origin marks optional (voluntary), that is without creating any obligation on producers or importers to fix these claims on the products. Thirdly, the scope of the regulation offers as well different options to be considered: a regulation covering all sectors across the board, or a regulation affecting only some sectors. These three alternatives can be summed up as follows:

| Matrix of possibilities for an origin marking scheme in terms of: | | |
|--|-------------------|---------------------|
| Coverage | All products | Some products |
| Approach | Compulsory | Voluntary |
| Category of products | Imported products | Domestic production |

Considering this matrix of possibilities, only the combination of some of them appeared to fit with the objectives referred to above. The possibility of marking exclusively domestic production (Made in the EU) and the possibility of a regulation covering all products were discarded at an early stage. The reason is that they appeared too far reaching, as well as too burdensome, both for the producers to apply and for the public administrations to enforce.

¹⁸ See in the annex, section 10: Data concerning Consumers and section 13: Consultation on line: EC regulation on origin marking (“made in”).

Therefore the following options were fully considered:

| | |
|-----------------|--|
| Option 1 | To develop an EC regulation for <u>some sectors</u> covering <u>domestic production</u> and <u>imported goods</u> under a <u>voluntary</u> approach |
| Option 2 | To develop an EC regulation for <u>some sectors</u> covering <u>domestic production</u> and <u>imported goods</u> under a <u>compulsory</u> approach |
| Option 3 | To develop an EC regulation only for <u>some sectors</u> covering only <u>imported goods</u> under a <u>compulsory</u> approach |
| Option 4 | The status quo |

5. WHAT ARE THE IMPACTS – POSITIVE AND NEGATIVE – EXPECTED FROM THE DIFFERENT OPTIONS IDENTIFIED?

5.1. General considerations

A scheme only applied to some products

Options 1, 2 and 3 take into account the application of the regulation to some product categories only. This responds to the fact that different sectors expressed dissimilar needs with regard to an EC regulation on origin marking. Moreover, consumers attach different importance to the country of origin of products depending on the kind of product. In conclusion, problems of false origin marks, deceptive practices and confusing information to consumers seemed to affect some types of products more than others¹⁹. Incidentally, a sectoral approach permits to minimise potential costs. As regards cost for the public administration, a sectoral approach allows to focus controls on a number of products that represent a limited part of import operations (less than 10% of total volume of imported products in the EC). In addition, the amount of information to be collected for measuring indicators is also reduced accordingly. The list of sectors included in the initiative is mentioned in the annex of the regulation.

Finally, the initiative would apply to some sectors facing strong competition from other markets, not always under fair conditions²⁰. The reinforcement of competitiveness of these sectors is one of the objectives of the initiative and is derived not only from attracting investment and the maintenance of a highly skilled labour force in the EU, but also from more educated and aware consumers.

Thus, the limitation of the scope of the regulation to some sectors seems to provide benefits to the majority of stakeholders. This can be summarised as following: for the industry, the sectors included in the regulation are not only economic activities that are ready to take in charge any potential additional cost involved but that are also characterised by a high value-added for the EC economy and by the use high-skilled labour that are particularly threatened by unfair trade practices. For consumers, the selection of sectors takes into account not only

¹⁹ According to the answers obtained in the consultations, articles such as footwear, leather goods and leather clothing are particularly affected by false marks. See section 11:Data concerning sectors covered by the initiative in the annex.

²⁰ The most relevant case concerns textiles where the volume of imports from China has increased by 80% in the period Jan-Feb 2005 compared to the similar period in 2004. See section 11 in the annex.

their preferences, but products that are associated to a high Community standards.²¹ For administrations, the selection of sectors restricts significantly the volume of products and reduces the number of controls on imports accordingly.

Cost of an origin mark

The inherent costs to mark a product with the name of the country of origin are quite small. It depends, of course, on the type of marking, but estimations show that, at most, it would cost less than 1% of the ex-work price of the product. In this regard, it should be noted that more and more frequently products imported in the EC (notably, those covered by the draft regulation) carry an origin mark as they are not manufactured separately for the EC market, but also for other important markets (China, US, Japan, etc.) where, as noted, origin marking is already compulsory²². A large study on trade barriers in third countries²³ show that a number of them impose an origin marking label that, in the case of fashionable apparel products, are estimated to be in the range of €1 to €1.5 per article. In the case of footwear, this can go up to €2 per article.

In terms of competitiveness, the cost of marking for importers should be considered relatively low compared to the cost for EU producers associated to the absence of a regulation. The name of a country transmits an indirect value to the product that holds an origin marking that would contribute to attract domestic and possibly foreign investors into the EC for the sectors involved. The consumers have also confirmed this assessment²⁴. A product associated to a European country, would tend to justify a higher price than a product associated to e.g. a developing country. For this reason, prestigious brands, evocating high quality, style, respect of Community standards, etc, do not want consumers to associate their production and brand to a non-“prestigious” country of manufacture. This is confirmed by the latest report on EU sectoral competitiveness indicators²⁵ where it can be found that that these non-“prestigious” countries of manufacture (low-income countries) have a more comparative advantage²⁶ in sectors²⁷ that has precisely been identified in the consultation process as showing an interest in the initiative of origin marking.

Producers in the EC that are using high skilled labour want to make demanding Community standards work in their favour. To this end, they want to effectively communicate origin information that may be associated with the relevant factors. The table below shows that high and intermediate labour skills in the EC represent more than 50% of the manufacturing

²¹ See the results of the online survey reported in section 13.

²² According to the information provided by interested sectors less than 10% of producers consulted declared that an obligation to indicate on their products the name of the country of origin would have an impact on production costs and would increase the price significantly. See section 13 in the annex.

²³ “Market Access Analysis to identify and update the existing information on trade barriers in third countries affecting EU exports of textile and clothing, footwear and leather”, Final report, March 2005, Market Access Information and Analysis (MAIA) and Institut Français de la Mode (IFM).

²⁴ Around 80% of consumers consider that the country of origin can provide valuable information on the respect of human rights, environmental, social and safety standards. More than 90% associate special qualities or prestige features to the country of origin. More than 90% also prefer EC products to third country products under similar price and quality. See online consumer survey in section 13 below.

²⁵ “EU sectoral competitiveness indicators”, 2005, European Commission.

²⁶ This result is based on calculations of a revealed comparative advantage (RCA). The RCA index compares the EC exports, both total and of a specific sector, with those of a reference area. This is used to rank EC products according to their comparative advantage.

²⁷ “EU sectoral competitiveness indicators”, 2005, European Commission, graph VI.1: EU-15 trade in manufactures products – Revealed comparative advantage index (average 2000-2002).

industry value added and it has increased over time. Competitiveness indicators²⁸ show that the EC's strongest comparative advantage appears to be in products of high skilled labour. However, the current increase in the share of imports from low and low-intermediate income countries in EC total imports can have a negative impact on EC labour markets in terms of employment and wages. Better consumer awareness about and transparency on the origin of goods would permit informed consumer decision.

| Distribution of manufacturing industry value added by labour skills categories | EU-15 | |
|---|--------------|-------------|
| | <u>1989</u> | <u>2001</u> |
| <u>Labour skills</u> | | |
| High | 15.2 | 15.9 |
| High-intermediate | 5.8 | 6.3 |
| Low-intermediate | 35.3 | 35.8 |
| Low | 43.7 | 42 |

Source: Calculated using data from O'Mahony and van Ark (2003), op. cit., footnote 2.

The main difficulty in assessing the cost of origin marking relates to the reaction of consumers to the information on the country of origin, i.e. how it will affect their choice of products. This type of cost is quite difficult to measure.

It should be noted that currently half of the products marketed into the EC already carry an origin mark. It is expected that there will be some costs of adaptation for EU producers to the new requirements, as some of them will not be allowed to mark their products "made in the EC" or, more frequently, "made in a Member State". Current origin claims on domestic production concern mainly a "made in the MS" claim and only very marginally a "made in the EU" claim. This implies that, in principle, the impact of the regulation will be more important for EC producers that are not applying the "made in the EU". Equally, some traders mark the products they import in a manner that could become incompatible after the introduction of an EC legislation (either as regards the concept of origin (i.e. the application of rules of non-preferential origin) or as regards technical requirements like fixing, size, language, etc). These EC producers/importers would have to change their current approach to marking to adapt it to the new regulation.

Regarding the potential cost for developing countries, the EU sectoral competitiveness indicators report (2005) confirms that countries of low and low-medium income levels exports nearly 60% their products to countries of high income level (EU excluded)²⁹. It means that a significant part of their exports are directed to countries that are already imposing rules of origin on imports. It could then be concluded that most of the developing countries are already marking their products to comply with origin marking rules of other developed countries. As a result of it, an EC regulation on origin marking should not have a major impact on developing countries.

Small and medium enterprises

The SMEs are expected to be amongst the main beneficiaries of a regulation on origin marking. The reason is that they will benefit from the advantages of the proposed regulation without having to pay any additional costs. On one side, SMEs would not be likely affected by an origin marking scheme on imports because, in general, they do not delocalise their production outside of the EC. On the other side, those SMEs that are exporting to other world

²⁸ EU sectoral competitiveness indicators", 2005, European Commission, page 119.

²⁹ "EU sectoral competitiveness indicators", 2005, European Commission, page 113, table VI:5 World trade matrix – Income level: destination of exports – 2001.

markets are required to mark the country of origin on their products in order to comply with third country regulations on origin marking. The present situation puts EC SMEs at a competitive disadvantage vis-à-vis their non-EU competitors both on third markets where no requirements for domestic products is required (e.g. US, apart from textiles and clothing, and Canada) and also on the EC market where imported products can be sold without any marking.

EU decision making process

The various options presented in this report have different implications in terms of complexity of the EU decision making process. A regulation covering imported goods only, will require a simpler decision process: a council regulation on the legal basis of Article 133. Conversely, a regulation covering domestic production would have implications for the Internal Market of the EU. For that reason, a different legal basis would be necessary and a co-decision procedure would be necessary. This has an important impact on the time horizon for the regulation to come into force. The consultation process has revealed that timing is now a critical element to be able to get full benefit from the regulation, especially for textiles and footwear.

5.2. Specific options

To develop an EC regulation for some sectors covering domestic production³⁰ and imported goods under a voluntary approach

- Impact on industry

The development of a voluntary scheme would limit the additional costs of economic operators to those producers firmly convinced that the name of the country of origin on the product is an asset as far as they would have to modify their practices to comply with the new requirements. In these cases, and because of the voluntary approach, some producers would be likely to simply stop marking their production with the name of the country of origin.

- Impact on consumers:

The introduction of a common definition of country of origin for marking purposes, and other conditions and requirements to fix origin marks on the product, will revert in the benefit of consumers in the form of a more complete information. However, the number of products affected may vary and even be reduced if producers that currently mark their production do not want to adapt the claims to the new requirements. The objectives of better information for consumers could then be only partially fulfilled with this option. It would be a marginal improvement, if any, comparing to the no policy change option.

- Impact on administrations

A voluntary marking scheme would have no additional cost for customs administrations or market surveillance bodies. Currently, goods are imported and marketed in the EC with origin marks and the accuracy of this information should be already controlled according to the

³⁰ any reference made in this Chapter a scheme covering domestic production refers exclusively to the possibility or obligation –depending on the option- to apply a “made in the EU” claim

different rules of MS. The only difference, in fact, introduced by the initiative, would be a greater degree of homogeneity and simplicity.

- Impact on third countries

In most cases, foreign and domestic producers mark their production according to the rules of third countries of export (US, Canada ...) without differentiating between the production to be distributed on the EC's market and on non-EC markets. The new EC regulation would change this behaviour. If the rules to determine the country of origin in these third countries and the rules established by the new regulation in the EC would differ, the origin claim for products addressed to the EC market should be either eliminated or adapted.

To develop an EC regulation for some sectors covering domestic production and imported goods under a compulsory approach

- Impact on industry

In the section on cost of origin marking it is explained why the cost involved in the implementation of a compulsory origin marking for economic operators is relatively marginal. However, the burden may be more important for SMEs, in particular those that are exclusively selling its production inside the EU. On the contrary, firms already exporting to other world markets are already putting the mark of origin in their products in order to comply with third country regulations on origin marking. As the "made in the EU" claim is currently not used extensively (indeed, some countries do not recognise it as a valid origin mark), a compulsory approach would have a bigger impact on EC producers in terms of costs of adaptation to the new requirements.

In terms of competitiveness, EC producers would be in a better position to take advantage of the preference for EC products that consumers show³¹. If such a scheme serves to demonstrate the higher attractiveness of European products, which is likely to happen considering the results of the consultations, the initiative would contribute to attract domestic and possibly foreign investors into the EC for the sectors involved.

- Impact on consumers

This represents the best option from the point of view of consumers' information, since each product purchased would carry an origin mark, and offer consumers the most clear and detailed information. In the medium term, consumers would be able to assimilate the concept of country of origin, which seems currently not to be very clear³², being increasingly aware of the real meaning at least for the selected sectors, even to the point potentially of refusing products without it.

³¹ Around 80% of consumers consider that the country of origin can provide valuable information on the respect of human rights, environmental, social and safety standards. More than 90% associate special qualities or prestige features to the country of origin. More than 90% also prefer EC products to third country products under similar price and quality.

³² See Annex 2 and replies provided by national consumers associations to the meaning of "marking of the country of origin".

- Impact on administrations:

A compulsory approach would imply that national administrations (customs and market surveillance bodies) must verify that the products covered by the regulation bear a suitable origin mark and the accuracy of the information. Verification of the fulfilment of the new requirements would imply an increase of inspections, notably as regards products manufactured in the EU.

- Impact on third countries

The fact of imposing a marking of origin on imports would not affect significantly third countries. The reason is that most foreign producers, as well as domestic producers, are already marking their production according to the rules of third countries of export (US, Canada ...). The impact would be limited to a cost of adaptation to the EC requirements specified in the regulation (notably, the rules on non-preferential origin) that may be, in few cases, different from the ones applied in other countries.

To develop an EC regulation for some sectors covering only imported goods under a compulsory approach

- Impact on industry

This option basically implies that products imported into the EC would have to carry an origin mark, while domestic production would not. This eliminates any potential additional costs for EC producers. Foreign products would be the only ones to bear the burden of marking whereas for domestic production, a “made in the EU” or “made in the *MS*” would remain under current rules.

It is important to note that this option is the one that matches the legislation of the main trading partners such as US, Canada or China. In those countries, the origin marking works as a type of “declaration of origin” that is made evident on the product in order that consumers, and not only customs, are made aware of the country of production of goods.

Other aspects to be considered under this option are the improvement of legal certainty, affecting producers’ and retailer’s liability, of products guarantees and of supply management and customer relationship management.

- Impact on consumers

This option shows also clear advantages compared to the voluntary approach, from the perspective of consumer information. Consumers would know when the product is imported, and exactly the foreign country of production.

Considerations made under option 2 can also be applied here. The only difference is that the identification of EC products would be made indirectly. In other words, products without an origin marking would be considered as being EC products or originating in Turkey or the Contracting Parties of the EEA Agreement. The presence of national marks according to national legislation would not be excluded, but could continue, if the producer so wishes. However, since not all product categories are covered, consumers might be led into the

assumption that the absence of third country origin marking on products not covered by the Regulation corresponds to an EC product.

- Impact on administrations

This option would entail a considerably lower cost for public administrations. The main difference is that the administrative controls would be performed by customs authorities only. No monitoring system would be needed inside the internal market. The limited range of products covered by the regulation would imply that the volume of products involved in custom controls would be marginal compared to the total volume of imports. Verification of the fulfilment of the new requirements would not imply an increase of inspections. They could be done together with those controls already applied on other types of compulsory labelling, i.e. composition, and could follow the same methods of risk assessment.

- Impact on third countries

The same considerations of option 2 apply for option 3 as well.

The “no change” option

The first general consultation on origin marking revealed a preference from some sectors to keep the status quo. However, other sectors have made clear that they were in favour of the application of this regulation to their products. For those sectors, a “no policy change” was not an option. For that reason, the application of a regulation on origin marking to all sectors was discarded. Instead, only the sectors that have provided information on their specific needs and interest to redress their present situation through a change of policy would be included in the coverage of the regulation.

Summary

| Options / Stakeholders | Industry | Consumers | Administration | Third countries |
|---|---|--|--|---|
| <p>Option 1</p> <p>Coverage: Sectors: Limited Domestic production: Yes Imported goods: Yes</p> <p>Approach: Voluntary</p> | <p>Advantages:</p> <p>Disadvantages:</p> <ul style="list-style-type: none"> • EU rules may differ from national or third-country rules and may imply cost of compliance • Come into force may be too late | <p>Advantages:</p> <ul style="list-style-type: none"> • Better information to consumers information • Common definition of origin marking at EU level <p>Disadvantages:</p> <ul style="list-style-type: none"> • The number of products covered would be reduced compared to status quo | <p>Advantages:</p> <ul style="list-style-type: none"> • No additional administrative burden • Homogeneity of rules <p>Disadvantages:</p> <ul style="list-style-type: none"> • Co-decision procedure | <p>Advantages:</p> <ul style="list-style-type: none"> • Homogeneity of rules <p>Disadvantages:</p> <ul style="list-style-type: none"> • EU rules may differ from national or third-country rules and may imply cost of compliance |

| Options / Stakeholders | Industry | Consumers | Administration | Third countries |
|--|---|--|---|---|
| <p>Option 2</p> <p><u>Coverage:</u> Sectors: Limited Domestic production: Yes Imported goods: Yes</p> <p><u>Approach: Compulsory</u></p> | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Increased competitiveness (OM seen as an asset) • Attractive for domestic and foreign investors <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • EU rules may differ from national or third-country rules and may imply cost of compliance • Compliance costs for EU producers with no interest in exports, in particular SMEs • Come into force may be too late | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Better information to consumers information • Common definition of origin marking at EU level • The number of products covered would be larger compared to status quo <p><u>Disadvantages:</u></p> | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Homogeneity of rules • Share of controls already used for other compulsory labelling rules (Customs and Market Authorities) <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • Co-decision procedure • Controls are required not only at the EC border but within the internal market as well | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Homogeneity of rules <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • EU rules may differ from national or third-country rules and may imply cost of compliance |

| Options / Stakeholders | Industry | Consumers | Administration | Third countries |
|--|---|--|---|---|
| <p>Option 3</p> <p><u>Coverage:</u> Sectors: Limited Domestic production: No Imported goods: Yes</p> <p><u>Approach: Compulsory</u></p> | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Increased competitiveness (OM seen as an asset) • Attractive for domestic and foreign investors • OM on domestic products are voluntary • No additional costs for EU firms with no interest in exports, in particular SMEs • Option shared by the main EU trade partners <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • The absence of OM would identify EC products in a indirect way only | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Better information to consumers information • OM on domestic products still allowed <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • Heterogeneity of national rules for OM on domestic products • Limited product scope to suggest that all non-marked imports are of EC origin | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Homogeneity of rules • No additional burden • Share of controls already used for other compulsory labelling rules • Controls are applied at the EC border only • Volume of products involved is very limited <p><u>Disadvantages:</u></p> | <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Homogeneity of rules <p><u>Disadvantages:</u></p> <ul style="list-style-type: none"> • EU rules may differ from national or third-country rules and may imply cost of compliance |

| Options / Stakeholders | Industry | Consumers | Administration | Third countries |
|--|---|--|--|--|
| Option 4 (Status Quo) <u>Coverage:</u> Sectors: national rules Domestic production: national rules Imported goods: national rules <u>Approach: Voluntary (Internal Market requirement)</u> | <u>Advantages:</u> <ul style="list-style-type: none"> No compliance costs <u>Disadvantages:</u> <ul style="list-style-type: none"> Heterogeneity of national rules for OM Unfair competition from third countries Competitiveness negatively affected, especially for SMEs Sector requests unaddressed | <u>Advantages:</u> <ul style="list-style-type: none"> Absence or unclear information on origin of products Heterogeneity of national rules for OM Problem of false origin marks Consumer requests unaddressed | <u>Advantages:</u> <ul style="list-style-type: none"> No compliance costs <u>Disadvantages:</u> | <u>Advantages:</u> <ul style="list-style-type: none"> No compliance costs <u>Disadvantages:</u> |

6. HOW TO MONITOR AND EVALUATE THE RESULTS AND IMPACTS OF THE PROPOSAL AFTER IMPLEMENTATION?

- The volume of products imported/marketed in the EC with an origin marking, as well as the incidence of cases of deceptive practices should be measured at least during a first period of time, by means of some monitoring actions at EC customs and in inside the EC market.
- An information campaign should also follow the entry into force of the regulation on the meaning of origin marking. One of the conclusions that can be drawn from the very extensive consultations we have held is the high level of confusion among consumers concerning marks and labelling. Consumers confuse the conformity label “EC” with the country of origin; they do not understand what the exact meaning of country of production is, etc. The introduction of an EC regulation on origin marking should be accompanied by information actions addressed to the EC consumer.
- A new on-line consultation should be launched to verify the degree of satisfaction obtained with the implementation of the initiative.
- Contacts with sectors affected should also be undertaken in order to monitor the impact of the regulation on the EC industry’s competitiveness (a better acceptance / distribution of EC products in the EC market, etc)

7. STAKEHOLDER CONSULTATION

7.1. General consultation

The Commission launched a consultation process from January to May 2004 involving the main parties interested: European industry federations, consumers' associations, trade unions and NGOs. Member States were invited to take soundings domestically. Some associated third countries presented also their views to the Commission.

The consultation process included general, sectoral and bilateral meetings, presentations and other contacts. The Commission received the positions of 28 European Industry federations, trade unions and some national federations, covering a wide range of sectors. The European Consumer Consultative Group (ECCG) and five national consumer associations also expressed their positions in writing. A public poll produced by one MS and covering consumers' point of view in five MS was also included. EFTA countries and Turkey attended several meetings on the issue and submitted their comments. Many parliamentary questions were also addressed to the Commission and comments, suggestions and questions by industries and individuals were also received. No views were received from the Economic and Social Committee or from the relevant Committees of the European Parliament, although some individual MEPs did send in comments.

This consultation process highlighted that different manufacturing sectors have widely different views about the value of origin marking. Some manufacturing sectors saw no added value in origin marking, and so indicated their preference to maintain the status quo, while others expressed an equally strong interest in the implementation of an origin marking scheme at Community level. The latter sectors – such as textiles, clothing, leather goods, furniture, footwear, ceramics – argued that they tended to be producers of consumer goods where consumer interest in the origin of the product was strong, origin fraud and deception were growing problems threatening the economic wellbeing of the sectors, and where real marketing value or the stimulation of European investment in the sector was associated with origin marking.

While these sectors generally supported the introduction of a compulsory marking scheme for both imports and domestic products, they nonetheless recognised the opposition of some other sectors to compulsory marking for domestic goods and broad negative reactions to any “made in the EU” origin marking. For this reason most of the interested sectors stated that a compulsory marking for imports and a voluntary scheme only for domestic products - or just no regulation at all for domestic production in a first step - would be a reasonable compromise. A detailed analysis of this consultation can be found in the document “Consideration of an EU origin marking scheme – consultation process, analysis and next steps”³³.

The consultation of consumer organisations highlighted that consumer organisations have different views on the issue of origin marking. While the ECCG opposed a proposal to introduce compulsory origin labelling on imported products and any mandatory requirements for origin marking for goods of EU origin (“Made in the EU”), some national consumer organisations were in favour of a compulsory origin marking for imported goods and voluntary origin marking for domestic production, others were in favour of the status quo.

³³ http://trade-info.cec.eu.int/doclib/docs/2004/september/tradoc_118123.pdf

7.2. Specific consultation

The results of the consultation referred to above were submitted to the 133 Committee on 25 June and 2 July 2004. The Presidency invited the Commission to further analyse the feasibility of the scheme only for the sectors interested on the issue and focusing specifically on imported goods.

In this vein, from September 2004 to February 2005, the Commission pursued further contacts with the interested sectors (see table in annex) and trade unions. A questionnaire on different technical and economic aspects was addressed to them and several meetings took place. The valves, optic and optometric sector retired finally from the initiative, while for some jewellery products there was an agreement at European federation level to support compulsory origin marking for imports. Given the need to gather wide feedback from the consumer movement, a specific questionnaire was also sent to a wide range of national consumers associations to verify the interest of consumers in an origin marking applied to the specific sectors. Member States were required to send their specific legislation on origin marking to better understand the current situation. Finally a consultation on line (April 2005) permitted to have an idea of citizens' approach to the initiative as well as of private industries' and retailers' views.

The results of this specific consultation enabled the Commission to affirm the interest of some national consumers associations³⁴, as well as of European citizens via the direct consultation³⁵, and to clarify a range of technical and economic issues with the sectors in principle covered by the initiative. Information sent by Member States revealed the contradictory approach of some MS, and sometimes incomplete or partial regulation of the issue.

The type of consultation followed in this exercise permitted us also to verify results by crosschecking information obtained through different and complementary sources/questionnaires. On the one hand, complementary questions were addressed to national consumers associations and directly to citizens through the consultation online, getting in both cases consistent approaches and replies. On the other hand, industry confirmed their interest shown in the first general consultation, through specific information and data on the current situation/challenges/problems, when replying to the detailed questionnaire in the second round of consultations. Replies provided by consumers and industry are also consistent. The detailed results can be consulted in the annex to this document.

8. COMMISSION DRAFT PROPOSAL AND JUSTIFICATION

The Commission draft proposal is for an origin marking scheme covering only the sectors having shown an interest in the initiative and focusing on imported goods under a compulsory approach (option 3). This is the option supported by industry and trade unions part of the consumer movement. It seems to limit costs and negative effects and ensure a wider positive impacts as regards the three policy objectives: 1) to restore a situation of fair international trade for EC producers, 2) to improve consumer information and therefore choice, and 3) and to foster EC industry competitiveness as a contribution to the Lisbon agenda.

³⁴ Section 10 below.

³⁵ Section 13 below.

The regulation opts for a definition of the country of origin based on EC non-preferential rules of origin, as applied for other customs purposes, minimising the workload for customs administrations (this information appears in the customs declaration of origin that should accompany all exports to the EU). The Regulation also foresees to adopt further implementing measures as to declarations and supporting documents that can be taken to demonstrate compliance with the present Regulation.

The application of the EC non-preferential ROO to origin marking issues is consistent with the WTO Agreement on rules of origin and with the TBT Agreement. The apparent inconsistency between the two is driven by the use of the word “marking” in the TBT agreement. However, these two agreements, as well as any international treaty, and in particular the wording of the TBT agreement regarding “marking”, must be interpreted according to the Vienna Convention, by taking into account the context and the whole text of the Agreements. Although it is true that the TBT Agreement does not exclude origin marking, this exclusion is in fact unnecessary because the TBT Agreement is related to Art. III of GATT and Origin Marking is outside of its scope. As a result, origin marking cannot be considered as an example of TBT. The argumentation of the Working Party of 1956 and a Panel of 1991, which are dated before the existence of the TBT Agreement, confirms that interpretation by stating that Origin Marking has a different treatment than the rest of marking and labelling. In any case, a different interpretation of these agreements would lead to conclude that every origin marking requirements as established in most of our trade partners are illegal and non compatible with WTO rules.

It is necessary to ensure that any burden of the new scheme is as minimal as possible. In this respect, the Regulation limits the requirements and conditions to mark the products to the minimum needed to make sure that the origin mark is easily detected and understood by the consumer, but at the same time not easily replaced or faked. As to the language version, the Regulation gives the option of using the words “made in” or other similar expressions in any official language of a Member State that is easily understood by the final consumer. In the same vein, duplicate declarations or submission of documentation should be avoided.

Being aware that concrete or special requirements to fix a mark of origin may depend on the type of product, the Regulation entitles the Commission to further regulate these issues, assisted by a Committee that is to be created. Considering also that other sectors could see a need in joining the origin marking scheme, the Regulation also entitles the Commission to include new products, also assisted by the same Committee.

ANNEX: SPECIFIC CONSULTATION ON ORIGIN MARKING
(SEPTEMBER 2004- APRIL 2005)

9. Organisation of the consultation process

9.1. Industry and trade unions

| | |
|--------------------|--|
| September 13, 2004 | Social dialogue with the leather sector |
| October 26, 2004 | Social dialogue with the footwear sector |
| November 2004 | Contacting interested sectors and sending a questionnaire on technical and economic issue sent to all industrial sectors interested on the issue |
| December 13, 2004 | Meeting between the Commission and all interested sectors |
| December 21, 2004 | Social dialogue with the leather sector |
| January 17, 2005 | Social dialogue with the footwear sector |
| April 8, 2005 | Social dialogue with the footwear sector |
| April 25, 2005 | Meeting with all industrial sectors |
| 5 April-5 May 2005 | Consultation on-line |

9.2. Consumers

| | |
|--------------------|--|
| September 22, 2004 | Meeting with the Members of the European Consumer Consultative Group (ECCG) |
| October 22, 2004 | Contacting national consumers associations and inviting them to a consultation |
| 5 April-5 May 2005 | Consultation on line |

9.3. Member States

| | |
|--------------------|--|
| September 30, 2004 | Requesting Member States representatives national legislation on the subject |
|--------------------|--|

10. Data concerning Consumers

10.1. Questionnaire and replies

QUESTIONNAIRE

The European Commission is exploring the possibility of implementing a regulation on origin marking for some sectors: including textiles, clothing, leather goods, footwear, ceramics and tableware, furniture, rubber and tyres, valves, optometry and optics. This questionnaire applies to non-food products only.

For the above mentioned sectors, please answer the following questions:

1. Question

WHAT DOES THE PRODUCT MARKING OF THE COUNTRY OF ORIGIN (“MADE IN”) MEAN FOR CONSUMERS?

| | |
|---|------------|
| ▪ The marking of the country from which the raw materials of the product come from? | 12 replies |
| ▪ The marking of the country where the product is transformed? | 20 replies |
| ▪ The marking of the country where the label of the product comes from? | 4 replies |
| • Others? Please specify: | 1 reply |

2. Question

DO CONSUMERS BELIEVE IT IS IMPORTANT TO BE INFORMED ABOUT THE COUNTRY OF ORIGIN OF GOODS WHEN PURCHASING THEM?

| YES | YES, BUT ONLY FOR CERTAIN PRODUCTS | NO |
|-----|------------------------------------|----|
| 26 | 4 | |

Please explain why:

3. Question

ARE CONSUMERS INTERESTED IN KNOWING WHICH PRODUCTS ARE IMPORTED AND WHICH ONES ARE EC PRODUCTS?

| YES | YES, BUT ONLY FOR CERTAIN PRODUCTS | NO |
|-----|------------------------------------|----|
| 25 | 4 | 1 |

Please explain why:

4. Question

DO CONSUMERS CONSIDER THAT IT WOULD BE USEFUL IF THE NAME OF THE COUNTRY OF ORIGIN APPEARS ON IMPORTED PRODUCTS?

(This information is currently provided on products only when producers decide to include this information on the product)

| YES | NO |
|-----|----|
| 30 | 0 |

5. Question

DO CONSUMERS CONSIDER IT USEFUL IF THE COUNTRY OF ORIGIN APPEARS ON THE PRODUCTS LISTED AT THE BEGINNING OF THIS QUESTIONNAIRE?

| YES | NO |
|-----|----|
| 28 | 2 |

If yes, for which products in particular:

6. Question

DO CONSUMERS CONSIDER THAT THE NAME OF THE COUNTRY OF ORIGIN PROVIDES VALUABLE INFORMATION ON PRODUCTION METHODS CONSISTENT WITH HUMAN RIGHTS, ENVIRONMENTAL, SOCIAL AND SAFETY STANDARDS, ETC?.

| YES | NO |
|-----|----|
| 26 | 4 |

If not, what information would consumers need?

| | |
|-------------------------------------|--|
| ▪ specific labelling? | |
| ▪ other information? Please specify | |

7. Question

DOES THE COUNTRY OF ORIGIN OF GOODS HAVE ANY INFLUENCE ON CONSUMERS' CHOICES?

| NONE | SOME | A LOT |
|------|------|-------|
| 1 | 6 | 23 |

8. Question

DO CONSUMERS PREFER EC PRODUCTS TO THIRD COUNTRIES PRODUCTS UNDER SIMILAR PRICE AND QUALITY CONDITIONS?

| YES | NO |
|-----|----|
| 23 | 7 |

Name and contacts of the national consumer association consulted

| |
|--|
| |
|--|

10.2. List of Participants

| | |
|----------------|--|
| Austria | <ul style="list-style-type: none"> ▪ Bundesarbeitskammer, Abteilung Konsumentenpolitik |
| Cyprus | <ul style="list-style-type: none"> ▪ Cyprus Consumers' Union and Quality of life |
| Czech Rep | <ul style="list-style-type: none"> ▪ Consumers Defence Association of the Czech Republic |
| Denmark | <ul style="list-style-type: none"> ▪ Danish Consumer Council Refuse to reply the questionnaire |
| Estonia | <ul style="list-style-type: none"> ▪ Consumer protection advisory centre of Tallinn ▪ Association of consumers' protection UGANDI ▪ Estonian consumers union |
| Finland | <ul style="list-style-type: none"> ▪ Martha Organisation |
| France | <ul style="list-style-type: none"> ▪ INDECOSA ▪ Union Féminine Civique et Sociale ▪ Association Léo Lagrange Consommation |
| Germany | <ul style="list-style-type: none"> ▪ Stiftung Warentest |
| Greece | <ul style="list-style-type: none"> ▪ Consumer's protection union of Serres (EPKAS) ▪ Consumers' protection centre |
| Ireland | <ul style="list-style-type: none"> ▪ Consumer Association of Ireland |
| Italy | <ul style="list-style-type: none"> ▪ Assoutenti Liguria ▪ Adiconsum Regionale Lazio |
| Latvia | <ul style="list-style-type: none"> ▪ Club for protection of consumer interests |
| Lithuania | <ul style="list-style-type: none"> ▪ Lithuanian Consumer Institute ▪ Lithuanian Consumers' Rights' Protection Centre ▪ Western Lithuania consumer federation ▪ National Consumer Confederation |
| Luxembourg | <ul style="list-style-type: none"> ▪ Union Luxembourgeoise des Consommateurs |
| Poland | <ul style="list-style-type: none"> ▪ Polish Consumer Federation |
| Slovakia | <ul style="list-style-type: none"> ▪ Service users Associations |
| Slovenia | <ul style="list-style-type: none"> ▪ Zverza potrosnikov Slovenije ▪ Zdruzenje Potrosnikov Gorenjske-Slovenian Consumers Association |
| Spain | <ul style="list-style-type: none"> ▪ AVACU |
| UK | <ul style="list-style-type: none"> ▪ Independent consumer consultant and member of Foodware |
| European level | <ul style="list-style-type: none"> ▪ European Community of consumer cooperatives EURO COOP |
| | |

11. Data concerning sectors covered by the initiative

11.1. Questionnaire

| |
|--|
| 1. Technical issues |
| ▪ a) Possible methods of fixing an origin mark, and physical features of a mark. |
| ▪ b) Determination of the specific products and sectors to be affected by the measure (final goods/intermediate goods). Concrete identification through the tariff headings. |
| ▪ c) Types of labelling requirements currently applied to the sectors and new requests on other types of labelling. |
| ▪ d) Current problems found when marking for exports to third countries requiring compulsory origin marks |
| 2. Economic aspects |
| ▪ a) Current volume of domestic products marketed in the EC with a “made in the EU” origin mark or a national mark (“made in Member State X”). |
| ▪ b) Current volume of foreign products marketed in the EC with a foreign origin mark (“made in US”) |
| ▪ c) Volume or value of products marketed in the EC with false or misleading marks of origin |
| ▪ d) Foreseen impact on delocalised industries to adapt to a compulsory origin marking for imports. |
| ▪ e) Foreseen impact of the adaptation to a new EC regulation by domestic producers affixing “made in the EU” either voluntarily or compulsorily. |
| ▪ f) Benefits expected from the implementation of an EU regulation on origin marking applicable to imported goods or to goods of EU origin |

11.2. Replies

ELGA

| 1. Technical issues | | | | | | | | | |
|--|----------|----------|---------|---------|--|----|--|--|---------|
| 1.a. The label should be sewn, heat or pressure stamped, or colour inserted (normally silver or gold) with the “made in...”. It should be in the inside of the product, in a visible part | | | | | | | | | |
| 1.b. | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Sector</th> <th>Products</th> <th>HS Code</th> </tr> </thead> <tbody> <tr> <td>Leather</td> <td></td> <td>42</td> </tr> <tr> <td></td> <td></td> <td>4303 10</td> </tr> </tbody> </table> | Sector | Products | HS Code | Leather | | 42 | | | 4303 10 |
| Sector | Products | HS Code | | | | | | | |
| Leather | | 42 | | | | | | | |
| | | 4303 10 | | | | | | | |
| 1d. No problems in fixing the origin mark under the above mentioned ways | | | | | | | | | |
| 2. Economic aspects | | | | | | | | | |
| 2.a. Very few products with a “made in EU” mark. Almost all products have a “made in MS” claim, even if they are not addressed to export. | | | | | | | | | |
| 2.b. Few foreign products are currently marked with a “made in” when imported into the EC considering that the added value of these foreign origin marks is very low. | | | | | | | | | |
| 2.c. Value of trade on leather goods with false origin marking-counterfeited brands is around 1000 mil.-year only in Italy (one third of the total trade in Italy) | | | | | | | | | |
| 2.d. Depends of the type of delocalisation. If the product is completely manufactured in third countries or important parts of the processing process are carried out in the EC. A complete delocalisation is not, however, the normal trend for the sector. | | | | | | | | | |
| 2.e. Not an advisable practise | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

- 2 f Instrument of transparency considering safety and production process issues but also simply the possibility to distinguish between foreign and EC products.
 Instrument of competitiveness: EU products respect social rights, quality standards, etc. The price should not be the only element for consumers to decide.
 Instrument of fair trade : EC producers respect origin marking requirements when exporting to EC trade partners

COTANCE

1. Technical issues

- 1.a. *Hides & Skins, Pickled Pelts, Wet-Blue*: Preliminarily treated raw materials are traded in a wet condition making it difficult to mark. For these types of products it is advisable to avoid affixing any mark.

Crust, Finish leather: Semi-finished leather in the “crust” state is in a dry condition. It carries generally a printed indication of the area on the backside. Operators can add other indications to the area without difficulty by programming the machine appropriately. An origin indication (mark) can thus be added at this stage.

Leather components & accessories: Printing mechanically on the backside the appropriate country could be a feasible solution.

Footwear, Leathergoods, Leather clothing: The origin of the leather could be easily identified by adding to the label indicating the component the opportune indication on the country of origin.

- 1.b.

| Sector | Products | HS Code |
|--------------------------|---|--|
| Leather | Raw Hides & Skins | 4101 to 4103 / 4301 30 / ex4301 80 |
| | Pickled Pelts | 4102 21 |
| | Wet-Blue | 4104 11 / 4104 19 / 4105 10 / 4106 21 / 4106 31 / 4106 91 |
| | Crust & Finished Leather | 4104 41 & 4104 49 / 4105 30 / 4106 22 / 4106 32 / 4106 40 / 4106 92 / 4107 to 4114 / 4302 13 / ex4302 19 (35, 80) |
| Accessories & Components | Heels, Soles, Bands, Parts, sintetics, others | 4008 21 / 4008 11 / 4005 99 / 5512 99(90) / 5602 10(19) / 5903 10 / 5903 20 / 5903 90 / 5908 00 / 5906 99 / 6001 10 / 6005 31 / 6005 32 / 6005 33 / 6005 34 / 6005 41 / 6005 42 / 6005 43 / 6005 44 / 4204 / ex4302 30 (25, 31) / 6406 / 8308 10(00) / 8308 90(00) / 9401 90 / ex9403 90 |
| Leather Goods | Bags, Wallets, Belts, Luggage | 4202 / 4203 30 / 4203 40 / 4206 |
| Footwear | Shoes, Slippers | 6401 / 6402 / 6403 / 6404 / 6405 |
| Clothing | Leather clothing | 4203 10 / 4303 / 4304 |
| Furniture | Upholstered Seats & Sofas | 9401 10 / 9401 20 / ex9401 30 / ex 940140 / 9401 61 / 9401 69 / 9401 71 / 9401 79 / 9401 80 / ex9403 10 / ex9403 20 / ex 9403 30 / ex9403 50 / ex9403 60 / 9403 70 / 9404 29 / ex9404 90 |
| Gloves | Gloves | 4203 21 / 4103 29 |

- 1.c Hides & Skins : Domestic: commercial document indicating their provenience. Imported: veterinary certificate that states the origin.

Pickled Pelts, Wet-Blue: Preliminarily treated raw materials do not have to comply with any labelling, marking or certification requirement.

Crust Finished leather: Semi-finished leather in the “crust” state does not have to comply with any labelling, marking or certification requirement.

Leather components & accessories: Origin marking or certification of these products is currently not compulsory but advisable.

Footwear, Leathergoods, Leather clothing: Footwear and clothing enjoy composition labelling in the EU.

Leathergoods (bags, wallets and the like) enjoy in various EU Member States composition labelling such as footwear or clothing. At EU level this is still missing and should be put in place as a matter of urgency. There is also an EU Eco-label for Footwear and numerous national Eco-labels for various consumer products setting standards for leather as a material or component.

- 1.d Leather and leather articles such as clothing, footwear (or leather goods) face documentary requirements in a number of third countries. EU exporters must describe in detail the composition, sometimes also the colour of a given product, in the invoice, in specific documents or forms, in the certificate of origin, and in the label. A slight error in one of these documents leads to detention of goods, penalties and delays in the import process. Often, the documents are so complex that they constitute a disincentive for SME, willing to export in such markets as, for example, Argentina, Mexico, Egypt and the US.

2. Economic issues

- 2.a *Hides & Skins, Pickled Pelts, Wet-Blue, Crust:* estimated 0%

Finished leather: The EU origin indication is usually not used.

Leather components & accessories: estimated 30% Origin marking may occur notably for specific accessories or components, such as footwear soles or particular metallic handbag or belt accessories. EU origin marking is not a feature.

Footwear, Leathergoods, Leather clothing: estimated 80% Footwear and clothing enjoy composition labelling in the EU. The origin of the EU good sold on the EU market is likely to be conveyed either engraved on a discrete place of the article generally next to the brand name, or stamped on the label, and/or indicated on the packaging.

- 2.b *Hides & Skins, Pickled Pelts, Wet-Blue, Crust, Finished leather:* estimated 0%

Leather components & accessories: estimated 1%

Origin marking may occur notably for specific accessories or components, such as footwear soles or particular metallic handbag or belt accessories.

Footwear, Leathergoods, Leather clothing: estimated 15%

Imported consumer articles made with leather will notably carry an origin mark or label if the origin is a sign of distinction. This may be the case for products coming from the US, Canada or Japan.

Chinese consumer products made with leather sold on the EU market may also be marked with “Made in China” notably if the same good is sold also on the US market which requires origin marking. Goods specifically produced for the EU market or for other markets not requiring compulsory origin marking would not carry such a mark. Footwear boxes carrying a label indicating the origin on the outer face are much more frequent but the products themselves may not necessarily be marked.

2.c *Hides & Skins* : estimated 20%
Once raw materials are in free circulation within the Community, traders of hides & skins sometimes mix various origins with a view to form uniform lots or batches in terms of quality. Traceability of raw materials and therefore segregation of origins is only compulsory for those hides or skins of which certain collagenous-rich tissue (flesh splits) may also be valorised in the food chain (Gelatines, Collagen). This practice constitutes, however, matter of concern to EU leather industry operators who may be misled by the origin statements of non-professional suppliers and the potential impact on the quality of the product during processing.

Pickled Pelts, Wet-Blue, crust : estimated 5%
EU operators purchasing directly from the producer in a B2B relationship are unlikely to be misled by the origin of the products since the operation performed by the supplier is a guarantee of the origin. Those purchasing these intermediate products (commodities) from wholesalers could eventually be confronted with false or misleading indications or origin in the accompanying commercial documents.

Finished leather: estimated 20%
EU operators purchasing directly from the producer in a B2B relationship could be misled by the origin of the products since the operation performed by the supplier is not necessarily a guarantee of the origin. Those purchasing finished leathers from foreign suppliers or EU wholesalers could also eventually be confronted with false or misleading indications or origin in the accompanying commercial documents.

Leather components & accessories: estimated 10%

Footwear, Leathergoods, Leather clothing: estimated 15%
It is estimated that every fifth pair of shoes, handbag, wallet, belt, or leather clothing sold in the EU notably through unconventional distribution channels such as street markets is counterfeited or conveys false indication of origin or misleading indications.

2.d *Hides & Skin, Pickled Pelts, Wet-Blue* : nil
Production of hides and skins is by nature local and cannot be delocalised.

Crust, Finished leather: marginal
Origin stamping on the backside of a crust or finish leather requires simply the adaptation of the printing notice of the optical area-measurement reading machine.

Leather components & accessories: estimated less than 0.5% of production costs
The impact on extra-EU industries will be limited to the disclosure of the real origin of the product. Costs may vary depending on the way of affixing the origin mark.

Footwear, Leathergoods, Leather clothing: estimated less than 1% of production costs
The impact on extra-EU industries will be limited to the disclosure of the real origin of the product. Costs may vary depending on the way of affixing the origin mark.

2.e *Hides & Skin, Pickled Pelts, Wet-Blue* : nil
Production of hides and skins is by nature local and operators will eventually be discouraged to mix origins.

Crust, finished leather: marginal
Origin stamping on the backside of a crust requires simply the adaptation of the printing notice of the optical area-measurement reading machine.

Leather components & accessories: estimated less than 0.5% of production costs
The impact on EU domestic industries will be limited to the eventual disclosure of the real origin of the product. Costs may vary depending on the way of affixing the origin mark.

Footwear, Leathergoods, Leather clothing: estimated less than 1% of production costs
The impact on extra-EU industries will be limited to the eventual disclosure of the real origin of the product. Costs may vary depending on the way of affixing the origin mark.

2.f *Hides & Skins* : noticeable

Compulsory origin indication on the commercial documents will allow EU operators to have certainty on the origin. Operators will eventually be discouraged to mix origins improving traceability of origin along the value chain.

Pickled Pelts, Wet-Blue: limited

Compulsory origin indication on the commercial documents will allow EU operators purchasing from the commodities market without a direct business relation to the producer to have certainty on the origin.

Crust: significant

Compulsory origin stamping on the backside of a crust could yield significant benefits.

Finished leather: full potential benefits

Full potential benefits from the implementation of an EU regulation on origin marking can be reached if compulsory stamping of the origin on the backside of finished leather is associated to compulsory composition labelling including indication of material origin of components for all consumer articles made with leather sold on the EU market.

Leather components & accessories: full potential benefits

Full potential benefits from the implementation of an EU regulation on origin marking can be reached if compulsory origin marking of components and accessories is associated to compulsory composition labelling including origin indication of components for all relevant consumer articles sold on the EU market.

Footwear, Leathergoods, Leather clothing: full potential benefits

Over the medium and long term, an EC origin marking regulation is likely to have positive effects

- for the consumer:
 - o better information
- for the producer
 - o greater legal security
 - o fairer reward of value added
 - o higher product guarantees and improved supply chain management
 - o finer segmentation of the market and development of new market niches
- for the suppliers
 - o better recognition of the value of supplies
 - o greater transparency and traceability
 - o improved customer relationship management
 - o greater legal certainty and security
 - o higher specialisation and competitiveness
- for the EU economy:
 - o sector turnover & workforce. Production in the EU will have the chance to be visible and better rewarded by the market stimulating the sectors' human resources to higher levels of qualification and productivity. The negative trend in the sector's turnover experienced over the last decade is expected to be reversed. Employment opportunities in the leather sectors notably in new EU member States are also to be expected.
 - o border control efficiency. Customs authorities and market inspectors will dispose of a valuable tool for controlling the identity and legality of the products placed on the EU market having high market relevance and societal importance.

1. Technical issues

- 1.a. Only the words "Made in + the name of the country" should be authorized. Formulas such as "Made By", "Designed In" or "Styled In" are prohibited. This rule relates to the shoe and their packaging. The "Made in + the name of the country" must be stamped in the shoe (impossible to remove). The stamp must be affixed on the "insole" and on the vamp, near the mark of the product. The "Made in + name of the country" must have a size at least equal to 40% of the name of the enterprise.

1.b

| Sector | Products | HS Code |
|----------|----------|---------|
| Footwear | | 6401 |
| | | 6402 |
| | | 6403 |
| | | 6404 |
| | | 6405 |

- 1.c Directive 11/994/EC. Labelling of materials used in the principal elements of the footwear.

2. Economic issues

- 2.a 350.000.000 pairs estimated
- 2.b 300.000.000 pairs
- 2.c Min. 200.000.000 pairs
- 2.d The delocalized industries have always the possibility of assembling shoes in the EU with the EU origin.
- 2.e Correct information of the consumers.
- 2.f The consumer had the right to know when products are imported and when they are EC products. The way in which the consumer could be protected is to accompany the mark of origin with a declaration that the application of PCP, formaldehyde, AZO dyes, Nickel, Chrome and Cadmium had been respected along the EU regulation. This would permit the consumer and the retailers to have a real defence

CERAME UNIE**1. Technical issues**

- 1.a Backstamp. The same procedure applied for the products destined to the countries that now require compulsory origin marking

1.b

| Sector | Products | HS Code |
|----------|------------|-----------|
| Ceramics | | 6907 |
| | | 6908 |
| | | 6911 |
| | | 6912 |
| | | 6913 |
| | Flowerpots | 691490100 |

- 1.d Many third countries (US, Japan, Australia, Korea,...) already ask for mark of origin

2. Economic issues

- 2.a “made in the EU” not yet used. National marks are used in any case when exporting to US
- 2.b Marking is neither uniformly, nor co-ordinately detected by EU customs. The lack of EU customs controls leaves a large margin of approximation
- 2.c 90% of Chinese tableware imports estimated.
- 2d It may create some problems but they should be faced anyway
- 2e Consumers information and companies’ safety at the workplace would benefit from an increased awareness on the origin of final and industrial imported goods. Although not decisive, the obligation could contribute to limit counterfeiting and unfair competition, especially if customs crosscheck conformity, quality, trademarks and origin marking. An increased awareness of consumers, resulting in higher attractiveness of European products, would attract domestic and possibly foreign investors to Europe.

BLIC

1. Technical issues

1a The marking is engraved in the tyre mould and stamped in the lower part of the tyre sidewall. Each mould modification implies a re-drawing, some layout changes, a reworked physical sidewall or even a new sidewall, which leads to additional costs, losses of production capacities,...

1.b

| Sector | Products | HS Code |
|--------|----------|---------|
| tyres | | 4011 |

1.c Not relevant

1.d Tyres manufacturers do face a compulsory country of origin marking to enter the markets of countries such as the USA, Saudi Arabia,... Failing to comply with this requirement prevents tyres to enter the national markets

2. Economic aspects

2.a More than 300 million of tyres are annually sold in the EU. They all have a national “made in “ origin marking.

2.b Between 25-30% of the EU replacement market, estimated

2.c Not relevant

2.d Not relevant

2.e Tyre moulds could be transferred between plants within the European Union (77 tyre plants in 15 countries), which is currently impossible due to compulsory national markings. A progressive switching of tyre moulds within EU factories could then be organized so that the costs can be spread over several years. The cost of this operation is averaged between 3000 to 6000 Euros per mould. An international recognition and acceptance of an EU origin marking would facilitate exports to third markets requiring a national origin making.

2.f Imposing an origin marking to imported tyres would improve the tracking and the control of the tyres coming from unknown sources.

EUROBRUSH

1. Technical issues

1.a Different techniques on the Product itself, depending on the size of the product, in any case an imprint on the package

1.b

| Sector | Products | HS Code |
|--------------------------|----------|---------|
| brushes and paintbrushes | | 9603 |

1.c Mainly trade marks and the country of origin labelling

1.d Many third countries (e.g. US, Japan, Australia, Korea,...) already ask for mark of origin

2. Economic aspects

2.a Unknown, but European manufacturers use an origin mark or a national mark to promote their products and to give a hint of high quality to the consumers.

2.b Unknown, but a foreign origin mark on imported brushware products can not be recognized normally.

2.c Unknown, but it is estimated that a huge volume of imported brushware and paintbrushes are affected.

2.d Should be a problem, which seems to find hardly an appropriate solution, but this cannot be changed anyway.

2.e

- Better consumer information,
- better handling of unfair competition,
- better fighting against counterfeiting,
- strengthening of the European industry.

11.3. Textiles statistics on imports

EU 25 imports of T&C categories liberalised under 4th stage of ATC where China had quotas

| 1.000 € | 2004 (Eurostat) | % | Jan-Feb 04 (Eurostat) | Jan - Feb 05 (Eurostat) | growth Jan- Feb 04-05 | Taxud data | Eurostat data | Evolution Quantity |
|---------|--------------------|---|--------------------------|-------------------------------|--------------------------------|----------------------|----------------------|-----------------------|
| | | | | | | end of March 2005 | end of March 2004 | |
| | | | | | | Value | Value | |

| | | | | | | | | |
|------------------------------|------------|------|-----------|-----------|------|---------------|---------------|---------|
| Extra-E25 | 45.531.099 | 100% | 7.612.643 | 7.601.543 | 0% | NA | NA | NA |
| World excluding China | 38.868.713 | 85% | 6.500.289 | 5.969.183 | -8% | | | |
| Turkey | 8.222.406 | 18% | 1.336.109 | 1.394.071 | 4% | | | |
| China | 6.662.386 | 15% | 1.112.354 | 1.632.359 | 47% | 2.128.383.578 | 1.412.107.900 | +50,72% |
| Bangladesh | 3.687.995 | 8% | 570.051 | 560.759 | -2% | 710.226.441 | 861.543.690 | -17,56% |
| Romania | 3.333.697 | 7% | 522.099 | 485.271 | -7% | 401.501.265 | 825.753.950 | -51,38% |
| India | 2.702.749 | 6% | 482.853 | 516.784 | 7% | 711.626.364 | 775.702.450 | -8,26% |
| Tunisia | 2.158.987 | 5% | 364.741 | 353.182 | -3% | 416.520.304 | 569.728.970 | -26,89% |
| Morocco | 2.058.041 | 5% | 345.046 | 308.639 | -11% | 441.428.656 | 545.006.050 | -19,00% |
| Hong Kong | 1.865.427 | 4% | 345.823 | 231.453 | -33% | 207.003.807 | 468.152.320 | -55,78% |
| Pakistan | 1.727.807 | 4% | 267.101 | 230.177 | -14% | 311.055.959 | 418.083.870 | -25,60% |
| Indonesia | 1.471.839 | 3% | 244.634 | 192.032 | -22% | 196.967.190 | 339.688.900 | -42,02% |
| Bulgaria | 977.001 | 2% | 154.481 | 161.532 | 5% | 152.300.069 | 236.075.860 | -35,49% |

| | | | | | | | | |
|------------------|---------|----|---------|---------|------|-------------|-------------|---------|
| Thailand | 928.168 | 2% | 171.794 | 142.877 | -17% | 154.058.216 | 240.834.940 | -36,03% |
| Switzerland | 743.064 | 2% | 140.476 | 124.093 | -12% | | | |
| South Korea | 684.402 | 2% | 113.327 | 78.481 | -31% | 52.087.860 | 132.383.080 | -60,65% |
| Sri Lanka | 617.497 | 1% | 107.435 | 88.144 | -18% | 121.285.610 | 163.103.380 | -25,64% |
| Egypt | 508.114 | 1% | 87.682 | 82.551 | -6% | 105.749.821 | 130.833.620 | -19,17% |
| Cambodia | 502.948 | 1% | 73.481 | 80.942 | 10% | 94.793.764 | 104.874.120 | -9,61% |
| Mauritius | 501.843 | 1% | 92.914 | 76.012 | -18% | | | |
| Vietnam | 419.211 | 1% | 87.638 | 66.302 | -24% | 78.475.505 | 124.444.670 | -36,94% |
| Macao | 406.091 | 1% | 79.144 | 61.221 | -23% | 54.825.215 | 108.345.980 | -49,40% |
| Croatia | 393.868 | 1% | 59.079 | 51.441 | -13% | | | |
| Taiwan | 379.100 | 1% | 80.206 | 43.178 | -46% | 26.248.011 | 88.554.920 | -70,36% |
| Ukraine | 345.075 | 1% | 56.267 | 52.852 | -6% | | | |
| Myanmar | 337.461 | 1% | 61.772 | 36.789 | -40% | | | |
| USA | 309.825 | 1% | 45.953 | 48.762 | 6% | 55.618.019 | 68.646.440 | -18,98% |
| Philippines | 309.327 | 1% | 56.539 | 38.024 | -33% | | | |
| Malaysia | 266.297 | 1% | 46.525 | 42.705 | -8% | 42.979.435 | 61.895.480 | -30,56% |
| U.A. Emirates | 248.088 | 1% | 50.810 | 28.608 | -44% | | | |
| For.J. Rep. Mac. | 217.686 | 0% | 34.413 | 36.364 | 6% | | | |
| Russia | 185.958 | 0% | 34.632 | 19.977 | -42% | | | |
| Japan | 183.132 | 0% | 26.337 | 22.500 | -15% | | | |
| Syria | 166.549 | 0% | 32.924 | 19.496 | -41% | | | |
| Israel | 157.516 | 0% | 32.877 | 18.371 | -44% | | | |
| Brazil | 155.350 | 0% | 27.778 | 26.610 | -4% | | | |
| Madagascar | 142.282 | 0% | 17.233 | 16.777 | -3% | | | |
| Laos | 109.041 | 0% | 19.732 | 18.362 | -7% | 23.944.214 | 29.727.060 | -19,45% |
| Belarus | 106.940 | 0% | 17.112 | 16.519 | -3% | | | |

| Ton | 2004 (Eurostat) | % | Jan-Feb 04 (Eurostat) | Jan - Feb 05 (Eurostat) | growth Jan-Feb 04-05 | Taxud data end of March 2005 | Eurostat data end of March 2004 | Evolution Quantity |
|-----|--------------------|---|-----------------------------|-------------------------------|----------------------------|------------------------------------|---------------------------------------|-----------------------|
| | | | | | | Imported quantity | Imported quantity | |

| | | | | | | | | |
|--------------------------|-----------|------|---------|---------|------|-------------|-------------|---------|
| Extra-E25 | 4.281.487 | 100% | 728.258 | 823.775 | 13% | | | |
| World excluding China | 3.666.429 | 8% | 620.241 | 629.546 | 2% | | | |
| Turkey | 648.154 | 15% | 97.548 | 106.116 | 9% | | | |
| China | 615.058 | 14% | 108.017 | 194.229 | 80% | 804.217.355 | 415.718.806 | +93,45% |
| Bangladesh | 465.191 | 11% | 73.862 | 91.750 | 24% | 350.651.197 | 399.481.264 | -12,22% |
| Romania | 180.309 | 4% | 26.739 | 24.443 | -9% | 73.152.742 | 146.760.333 | -50,15% |
| India | 360.164 | 8% | 64.356 | 62.090 | -4% | 261.931.045 | 235.733.223 | +11,11% |
| Tunisia | 107.718 | 3% | 18.173 | 16.932 | -7% | 71.076.793 | 97.683.244 | -27,24% |
| Morocco | 123.959 | 3% | 20.383 | 18.664 | -8% | 91.058.851 | 108.062.523 | -15,74% |
| Hong Kong | 113.082 | 3% | 23.669 | 20.589 | -13% | 50.714.933 | 96.743.466 | -47,58% |
| Pakistan | 375.734 | 9% | 61.116 | 55.432 | -9% | 210.078.379 | 149.563.360 | +40,46% |
| Indonesia | 207.525 | 5% | 37.953 | 29.107 | -23% | 112.658.670 | 129.809.657 | -13,21% |
| Bulgaria | 61.690 | 1% | 9.074 | 9.811 | 8% | 40.515.688 | 41.463.791 | -2,29% |
| Thailand | 97.564 | 2% | 20.056 | 33.793 | 68% | 81.905.791 | 79.842.067 | +2,58% |
| Switzerland | 26.065 | 1% | 4.822 | 3.550 | -26% | | | |
| South Korea | 62.988 | 1% | 10.625 | 9.540 | -10% | 27.336.904 | 83.539.825 | -67,28% |
| Sri Lanka | 45.490 | 1% | 7.795 | 6.112 | -22% | 42.184.296 | 58.648.326 | -28,07% |
| Egypt | 70.219 | 2% | 13.414 | 11.304 | -16% | 64.237.835 | 36.672.488 | +75,17% |
| Cambodia | 37.354 | 1% | 5.242 | 6.284 | 20% | 25.779.435 | 28.047.362 | -8,09% |
| Mauritius | 28.572 | 1% | 5.249 | 4.068 | -23% | | | |

| | | | | | | | | |
|---|--------|----|--------|--------|------|------------|------------|----------|
| Vietnam | 37.058 | 1% | 7.558 | 5.415 | -28% | 22.360.546 | 40.867.112 | -45,28% |
| Macao | 22.360 | 1% | 5.618 | 4.800 | -15% | 10.375.051 | 20.401.259 | -49,15% |
| Croatia | 17.708 | 0% | 2.795 | 2.381 | -15% | | | |
| Taiwan | 31.593 | 1% | 6.781 | 23.696 | 249% | 13.208.066 | 21.468.666 | -38,48% |
| Ukraine | 23.867 | 1% | 3.883 | 3.702 | -5% | | | |
| Myanmar | 35.409 | 1% | 5.367 | 3.657 | -32% | | | |
| USA | 16.651 | 0% | 2.636 | 5.234 | 99% | 18.248.885 | 7.860.294 | +132,17% |
| Philippines | 27.795 | 1% | 5.609 | 3.822 | -32% | | | |
| Malaysia | 35.771 | 1% | 6.921 | 5.696 | -18% | 37.067.991 | 23.716.496 | +56,30% |
| U.A. Emirates | 33.178 | 1% | 6.475 | 4.098 | -37% | | | |
| For.J. Rep. Mac. | 11.513 | 0% | 1.674 | 1.801 | 8% | | | |
| Russia | 42.225 | 1% | 7.422 | 5.641 | -24% | | | |
| Japan | 8.941 | 0% | 1.225 | 1.060 | -13% | | | |
| Syria | 45.027 | 1% | 11.673 | 5.149 | -56% | | | |
| Israel | 11.050 | 0% | 2.233 | 1.468 | -34% | | | |
| Brazil | 25.705 | 1% | 5.435 | 3.907 | -28% | | | |
| Madagascar | 6.088 | 0% | 842 | 768 | -9% | | | |
| Lao (People's Democratic Republic) | 9.455 | 0% | 1.926 | 1.485 | -23% | 6.366.654 | 7.364.223 | -13,55% |
| Belarus | 10.391 | 0% | 1.654 | 2.138 | 29% | | | |

| | 2004 (Eurostat) | Jan-Feb 04 (Eurostat) | Jan - Feb 05 (Eurostat) | growth Jan- Feb 04-05 |
|---|--------------------|-----------------------------|-------------------------------|--------------------------------|
| Unit price | | | | |
| Extra-E25 | 10,63 | 10,45 | 9,23 | -12% |
| World excluding China | 10,60 | 10,48 | 9,48 | -10% |
| Turkey | 12,69 | 13,70 | 13,14 | -4% |
| China | 10,83 | 10,30 | 8,40 | -18% |
| Bangladesh | 7,93 | 7,72 | 6,11 | -21% |
| Romania | 18,49 | 19,53 | 19,85 | 2% |
| India | 7,50 | 7,50 | 8,32 | 11% |
| Tunisia | 20,04 | 20,07 | 20,86 | 4% |
| Morocco | 16,60 | 16,93 | 16,54 | -2% |
| Hong Kong | 16,50 | 14,61 | 11,24 | -23% |
| Pakistan | 4,60 | 4,37 | 4,15 | -5% |
| Indonesia | 7,09 | 6,45 | 6,60 | 2% |
| Bulgaria | 15,84 | 17,02 | 16,47 | -3% |
| Thailand | 9,51 | 8,57 | 4,23 | -51% |
| Switzerland | 28,51 | 29,13 | 34,95 | 20% |
| South Korea | 10,87 | 10,67 | 8,23 | -23% |
| Sri Lanka | 13,57 | 13,78 | 14,42 | 5% |
| Egypt | 7,24 | 6,54 | 7,30 | 12% |
| Cambodia | 13,46 | 14,02 | 12,88 | -8% |
| Mauritius | 17,56 | 17,70 | 18,68 | 6% |
| Vietnam | 11,31 | 11,60 | 12,25 | 6% |
| Macao | 18,16 | 14,09 | 12,75 | -9% |
| Croatia | 22,24 | 21,14 | 21,61 | 2% |
| Taiwan | 12,00 | 11,83 | 1,82 | -85% |
| Ukraine | 14,46 | 14,49 | 14,28 | -1% |
| Myanmar | 9,53 | 11,51 | 10,06 | -13% |
| USA | 18,61 | 17,44 | 9,32 | -47% |
| Philippines | 11,13 | 10,08 | 9,95 | -1% |
| Malaysia | 7,44 | 6,72 | 7,50 | 12% |
| U.A. Emirates | 7,48 | 7,85 | 6,98 | -11% |
| For.J. Rep. Mac. | 18,91 | 20,56 | 20,19 | -2% |
| Russia | 4,40 | 4,67 | 3,54 | -24% |
| Japan | 20,48 | 21,50 | 21,24 | -1% |
| Syria | 3,70 | 2,82 | 3,79 | 34% |
| Israel | 14,26 | 14,72 | 12,51 | -15% |
| Brazil | 6,04 | 5,11 | 6,81 | 33% |
| Madagascar | 23,37 | 20,47 | 21,85 | 7% |
| Lao (People's Democratic Republic) | 11,53 | 10,24 | 12,36 | 21% |
| Belarus | 10,29 | 10,34 | 7,73 | -25% |

12. Member States legislation on origin marking

UK

Legislation: Trade Description Act 1968. Enterprise Act 2002. Order 2003 (S.I. 2003/2580). Trade Descriptions (Country of Origin) (Cutlery) Order 1981, SI 1981/122

There is no requirement for goods to bear marks indicating their origin, nor is there anything to prevent voluntary origin marking where traders wish to do so. It is a criminal offence to apply false or misleading “trade descriptions” to goods. The term trade description includes “place of manufacture, production, processing or reconditioning”.

Originating goods are goods manufactured or produced in the country in which they last underwent a treatment or process resulting in a substantial change. The Act does not define “substantial change”. It is for the trader and ultimately for a court to decide whether the particular country or place specified is indeed where the last substantial change took place.

However some specification has been given for some products: (i.e. the process of silver-plating stainless-steel cutlery does not constitute a “substantial change”). When goods bearing false or misleading indications of origin, imported from third countries, are encountered by Customs in the exercise of normal import procedures, the details of the importation are given to Trading Standards Department (TSD) at the earliest operational opportunity. This allows TSDs the opportunity to take direct action under their powers at the point of entry into the UK.

France:

Legislation: Toubon Law 1994. Customs Code. Consumer Protection Law

France does not have a law which either requires or forbids the mention of a product's origin. France nonetheless regulates the issue of origin marking through various provisions for the protection of the French language or through provisions protecting consumers incorporated in the French Consumer and Customs Codes.

A false or ambiguous indication of origin may be considered misleading advertising. The use of a false or deceitful indication of origin is an offence. Entry into France will be refused to any foreign product leading people to believe it has been manufactured in France or that it is of French origin. There are other requirements as that marking of products sold in France must be in French. For products with engraved, moulded-in or weaved-in indications, commonly used expressions are accepted (e.g., "Made in [X]").

In the event that the country of origin is marked on the products, it is necessary to comply with the definition of origin of Article 24 of EC Regulation 2913/92/EC –non-preferential ROO.

Lithuania

Legislation: The Rules On Labelling and Indication of Prices of Items (Goods) for Sale in the Republic of Lithuania Order of the Republic of Lithuania Minister of Economy No 170, 2002 (revision of April 2004) . Under revision.

If labelling of particular goods (commodity group) is not regulated by a specific legal act the country of origin shall be presented, provided that the product is imported from non-Community (non-European Union) countries or regions.

Greece

According to Greece's market regulations origin marking for non EU industrial products is compulsory. As far as EU industrial products are concerned origin marking could be used on a voluntary basis provided that the above marking is precise and not misleading.

Belgium

Legislation: Loi du 29 juillet 1994 tendant à favoriser la transparence du commerce des marchandises originaires d'un pays non membre de l'UE. Loi du 14 juillet 1991 sur les pratiques du commerce et sur l'information et la protection du consommateur

In Belgium the origin marking is voluntary. However, if there is an origin marking, the information should be accurate. Origin marking is controlled when importing, transiting and exporting non-EC industrial products, in order to avoid origin claims leading to believe these foreign goods have been manufactured in Belgium or in other EC MS. Infraction and penalties are also regulated. In addition, consumers' protection Law forbids misleading practices on origin of goods.

Italy:

Customs national authorities can stop just goods having a label which does not correspond with the actual origin. The origin is intended the "non preferential", according to the EC Custom Law (art. 22-29) –non preferential rules of origin-.

If the import clearance documentation contains an indication of an origin which do not correspond to that specified in the label, the customs authority starts an investigation in order to protect both the consumers and the Members of the Madrid Convention 1981

Hungary

Legislation: Act CLV of 1997 on Consumer Protection

According to the above mentioned law, the label of goods shall include the place of origin of the goods, except for those originating in the European Economic Area.

Estonia

Legislation: Consumer Protection Act, 11 February 2004 (RT I 2004, 13, 86)

Failure to provide or concealment of truthful information in Estonian concerning the characteristics, price or origin of goods or services is punishable by a fine

Spain:

Legislation: RD 769-1984 on leather goods. RD 1999-2253 on rules on labelling, presentation and publicity of foodstuff, RD 1988-1468 on general rules on labelling, presentation and publicity

For leather goods, an indication on the provenance (national or imported) of the product is compulsory. It will be in Spanish. Importers of foreign goods must ensure that the product comply with this requirement. For foodstuff, the place of origin or provenance is a compulsory indication on the products.

Concerning industrial goods, the country of origin or provenance shall be on the products when its absence could mislead the consumer on the real country of origin or provenance. Products imported from third countries not part of the Geneva Agreement on technical barriers to trade of 1979 shall bear the name of the country of origin.

Poland:

Legislation: Regulation of the Minister of Agriculture and rural development of December 16, 2002 on labelling of foodstuff and permitted additives. Act of 12 December 2003 on general product safety. Regulation of Minister of Health of 19 December 2002 on requirements concerning indication on packages of medical product. Regulation of Minister of Health of 10 December 2002 on basic requirements for medical devices

On the labelling of individually packaged foodstuffs the indication of place of provenance must be indicated when the absence of such information might mislead the consumers.

For medical devices the legislation makes a reference to the address of manufacturer more than to the country of origin.

Austria

Legislation: Zollkodex

Definition of origin for marking purposes is defined through EC customs code (non-preferential ROO)

13. Consultation on line: EC regulation on origin marking (“made in”)

13.1. Summary of the results

Interest in the issue

The first aspect to be considered is the interest aroused by the issue, getting 166.895 replies in only one month (April 2005), a result going significantly beyond the average of replies obtained through EC consultations on line “your voice in Europe”. The participation of Italian citizens is responsible for a very high percentage of the replies finally obtained (96.7%). However the number of replies from other Member States and even outside the EC (5421 replies) is also very high, exceeding, again, the average of replies in this type of consultations. Leaving apart Italian participation, the highest number of replies has been obtained in France, Germany, United Kingdom, Switzerland, Belgium, Spain, Portugal, Netherlands, Finland and Luxembourg.

Profile of the user

The consultation was addressed to three types of respondents: consumers, producers and retailers. The participation, however, came mostly from consumers (96.3%), permitting us to have a good perception of their approach to the issue, but above all, to confirm their interest on knowing the origin of goods purchased. Again, this should not hide the fact that a high number of producers (4685) and retailers (1383) have also participated in the consultation.

Consumers’ position

The replies offered by consumers show that they are interesting in the country of origin. First, they already check the mark of origin on the products that they purchase (99.2%), find normally/almost always this type of mark on the product (82.5%) and recognise an influence of the country of origin in their purchase decision (97.9%), declaring a preference for EC products under the same conditions of price and quality (93.9%). The reasons for this behaviour can be found in the relation established between country of origin and production methods consistent with human rights, environmental, social and safety standards as well as other elements such as special quality and prestige features (97%). On the basis of this interest and perspectives , it is somewhat alarming to note that a high percentage (76.5%) of consumers feel that sometimes/almost always/always they have been misled by the information on the country of origin provided on the product.

Producers’ position

Producers declared that they apply already a mark of origin to their production (85%). This coincides with the perception of consumers that normally/almost always there is an origin mark on the products that they purchase. The obligation of marking the production when exporting to third countries can be one explanation for this practice by producers marketing into the EC, considering that 74% of producers declared that they address their production both to the EU and non-EU markets. The link between country of origin and high Community standards that producers, as consumers, make, can also explain their interest in marking. In addition, the lack of cost derived from marking (82%) can also justify the current practice. Taken into account these data it is surprising that 45% of producers confessed not to be aware

of the current EU Member State regulations on origin marking applying to their production. The high percentage (84%) of producers declaring to have experienced unfair competition from products with false or inaccurate origin marks is also alarming.

Retailers' position

A very high percentage of retailers (91.4%) declared that the products that they sell have already an origin marking, confirming the replies by consumers and producers. In addition, these products are mainly addressed to EC markets (82%). The perception of origin marks by retailers as indicators of social, safety and environmental standards as well as of special qualities or prestige features (94%) also coincides with the line provided by consumers and producers. In fact, retailers are convinced that consumers prefer products with a "made in" mark (69%). Finally, retailers also declared to have experienced unfair competition from products with false or inaccurate "made in" claims (76%).

Typology of questions and conclusions

Questions were formulated in a manner to confirm information and crosscheck replies, with satisfactory results. For instance, consumers, producers and retailers were questioned on the current presence of origin marks on products they purchase/produce/sell, obtaining in all cases coherent replies and permitting to affirm the high percentage of products with origin claims already marketed in the EC. Similarly coherent results were obtained in questions relating to the relationship between marks of origin and high Community standards as well as special quality and prestige features. The coherent approach followed by the three different groups enables us to establish that these identifications are currently working in the marketing of products in the EC. Finally, a similar perception of cases of misleading information/unfair practices through origin marking was recorded in the three groups, which affirms a widespread mistrust on the present situation concerning origin marking.

In other cases, some questions addressed to the same profile of user were specially formulated to verify the consistency of replies: a high percentage of consumers agreed on the importance of the information provided by the country of origin and, in the same way, already check the presence of this information on products they purchase. The triangle formed by (1) the impact of the country of origin on purchasing decisions, (2) the preference of EC products to third country products under similar conditions and (3) the relationship between country of origin and respect of human rights, environmental, social and safety standards and special quality and prestige features also permits one to conclude that EC products have a high reputation among EC consumers and that they would tend to prefer EC products if sufficient information was ensured.

13.2. Replies

Statistics for EC Regulation on Origin Marking ("made in")

Status : Inactive

Date open : 04/04/2005

End date : 04/05/2005

There are 166696 responses on 166696 in the current set for your criteria

Search criteria

All data requested

Profile of the user

| Please indicate your country of residence(compulsory) | | | |
|---|---|---------|---------|
| Requested records number records | Number of requested records % of total | | % |
| IT - Italy | 161275 | (96.7%) | (96.7%) |
| FR - France | 762 | (0.5%) | (0.5%) |
| DE - Germany | 655 | (0.4%) | (0.4%) |
| UK - United Kingdom | 523 | (0.3%) | (0.3%) |
| CH - Switzerland | 514 | (0.3%) | (0.3%) |
| BE - Belgium | 448 | (0.3%) | (0.3%) |
| Other, please specify | 404 | (0.2%) | (0.2%) |
| ES - Spain | 360 | (0.2%) | (0.2%) |
| PT - Portugal | 315 | (0.2%) | (0.2%) |
| NL - Netherlands | 287 | (0.2%) | (0.2%) |
| FI - Finland | 200 | (0.1%) | (0.1%) |
| LU - Luxembourg | 152 | (0.1%) | (0.1%) |
| SE - Sweden | 112 | (0.1%) | (0.1%) |
| IE - Ireland | 105 | (0.1%) | (0.1%) |
| AT - Austria | 93 | (0.1%) | (0.1%) |
| EL - Greece | 59 | (0%) | (0%) |
| RO - Romania | 55 | (0%) | (0%) |
| LT - Lithuania | 48 | (0%) | (0%) |
| PL - Poland | 44 | (0%) | (0%) |
| CZ - Czech Republic | 34 | (0%) | (0%) |
| MT - Malta | 32 | (0%) | (0%) |
| DK - Denmark | 26 | (0%) | (0%) |
| HU - Hungary | 25 | (0%) | (0%) |
| TR - Turkey | 25 | (0%) | (0%) |
| SI - Slovenia | 18 | (0%) | (0%) |
| NO - Norway | 17 | (0%) | (0%) |
| BG - Bulgaria | 13 | (0%) | (0%) |
| LV - Latvia | 10 | (0%) | (0%) |
| CY - Cyprus | 8 | (0%) | (0%) |
| SK - Slovak Republic | 6 | (0%) | (0%) |
| EE - Estonia | 5 | (0%) | (0%) |
| LI - Liechtenstein | 2 | (0%) | (0%) |

| | | | |
|--------------|---|------|------|
| IS - Iceland | 1 | (0%) | (0%) |
|--------------|---|------|------|

Are you replying as:(compulsory)

| Requested records number records | | Number of requested records % of total | % |
|--|--|---|---------|
|  A consumer?  Questions for consumers | | 160565 (96.3%) | (96.3%) |
|  A producer?  Questions for producers | | 4685 (2.8%) | (2.8%) |
|  A retailer?  Questions for retailers | | 1383 (0.8%) | (0.8%) |

Questions for consumers

Are you:

| Requested records number records | | Number of requested records % of total | % |
|-------------------------------------|--|---|---------|
| 30-49 years old? | | 102161 (61.3%) | (61.3%) |
| 0-29 years old? | | 41276 (24.8%) | (24.8%) |
| 50 years old and over? | | 16160 (9.7%) | (9.7%) |

| Do you check the label “made in...” on the products that you purchase? | | | |
|--|--|---|---------|
| Requested records number records | | Number of requested records % of total | % |
| Always | | 109531 (65.7%) | (65.7%) |
| Sometimes | | 48788 (29.3%) | (29.3%) |
| Never | | 1187 (0.7%) | (0.7%) |

| When you purchase a product: | | | |
|---|--|---|---------|
| Requested records number records | | Number of requested records % of total | % |
| Normally there is a “made in...” label | | 87306 (52.4%) | (52.4%) |
| There is almost always a “made in...” label | | 44179 (26.5%) | (26.5%) |
| Most of the time there is no label “made in...” | | 23123 (13.9%) | (13.9%) |
| I don't know if there is a label “made in...” | | 4742 (2.8%) | (2.8%) |

| Would you like to know the country of origin of the following products when purchasing?: | | | |
|--|--|---|---------|
| Requested records number records | | Number of requested records % of total | % |
| Not only of these products but of all products | | 143321 (86%) | (86%) |
| Textiles and clothing | | 64223 (38.5%) | (38.5%) |
| Footwear | | 60919 (36.5%) | (36.5%) |
| Leather goods | | 54740 (32.8%) | (32.8%) |
| Furniture | | 48664 (29.2%) | (29.2%) |
| Rubber and tyres | | 45737 (27.4%) | (27.4%) |
| Ceramics | | 44623 (26.8%) | (26.8%) |
| Not of these products but of other products | | 13812 (8.3%) | (8.3%) |
| I would not like to know the country of origin of any product at all | | 6322 (3.8%) | (3.8%) |

| Has any influence the country of origin of the product in your purchasing decisions? | | | |
|--|--|---|---------|
| Requested records number records | | Number of requested records % of total | % |
| Some influence | | 78673 (47.2%) | (47.2%) |
| A lot | | 77300 (46.4%) | (46.4%) |
| None | | 3230 (1.9%) | (1.9%) |

| Do you think that the name of the country of origin can provide valuable information to the consumers as regards production methods consistent with: | | | |
|--|---|---------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Human rights? | 135951 | (81.6%) | (81.6%) |
| Environmental standards? | 133802 | (80.3%) | (80.3%) |
| Social standards/labour conditions? | 133198 | (79.9%) | (79.9%) |
| Safety standards?. | 124979 | (75%) | (75%) |
| Others? | 21092 | (12.7%) | (12.7%) |
| I do not know | 2557 | (1.5%) | (1.5%) |

| Do you associate special quality or prestige features of the product to the country of origin? | | | |
|--|---|---------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Yes | 109451 | (65.7%) | (65.7%) |
| In some cases | 44555 | (26.7%) | (26.7%) |
| No | 4612 | (2.8%) | (2.8%) |

| Do you prefer EC products to third country products under similar price and quality conditions? | | | |
|---|---|---------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Yes | 110288 | (66.2%) | (66.2%) |
| In some cases | 39157 | (23.5%) | (23.5%) |
| No | 9648 | (5.8%) | (5.8%) |

| Have you ever felt misled by the information on the country of origin provided on a product you have purchased? | | | |
|---|---|---------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Sometimes | 107959 | (64.8%) | (64.8%) |
| Hardly ever | 26268 | (15.8%) | (15.8%) |
| Almost always | 11319 | (6.8%) | (6.8%) |
| Never | 10900 | (6.5%) | (6.5%) |
| Always | 2055 | (1.2%) | (1.2%) |

Questions for producers

Have the products that you produce a mark “made in...”?

| Requested records number records | Number of requested records % of total | | % |
|-------------------------------------|---|--------|--------|
| Always | 2750 | (1.6%) | (1.6%) |
| Sometimes | 1142 | (0.7%) | (0.7%) |
| Never | 728 | (0.4%) | (0.4%) |

Your production is addressed to:

| Requested records number records | Number of requested records % of total | | % |
|-------------------------------------|---|--------|--------|
| Both EU and non-EU markets | 3477 | (2.1%) | (2.1%) |
| Several EU markets | 590 | (0.4%) | (0.4%) |
| An EU national market only | 534 | (0.3%) | (0.3%) |
| Markets outside the EU | 41 | (0%) | (0%) |

When marking your products with a “made in...” claim: Have you experienced difficulties to determine the country of origin of your products?

| Requested records number records | Number of requested records % of total | | % |
|-------------------------------------|---|--------|--------|
| Never | 2899 | (1.7%) | (1.7%) |
| Sometimes | 952 | (0.6%) | (0.6%) |
| Yes | 379 | (0.2%) | (0.2%) |

Are you aware of the current EU Member State/s regulation on origin marking applying to your products?

| Requested records number records | Number of requested records % of total | | % |
|-------------------------------------|---|--------|--------|
| Yes | 2482 | (1.5%) | (1.5%) |
| No | 2106 | (1.3%) | (1.3%) |

Have you experienced difficulties with third countries regulations on origin marking?

| Requested records number records | Number of requested records % of total | | % |
|-------------------------------------|---|--------|--------|
| No | 2037 | (1.2%) | (1.2%) |
| Yes | 1455 | (0.9%) | (0.9%) |
| Not applicable | 841 | (0.5%) | (0.5%) |

Do you consider that an obligation to indicate on your products the name of the country of origin would have an impact on your production costs and would increase significantly the price of your product?

| Requested records number records | Number of requested records % of total | | % |
|---|---|--------|----------|
| No | 3717 | (2.2%) | (2.2%) |
| Yes | 529 | (0.3%) | (0.3%) |
| I do not know | 353 | (0.2%) | (0.2%) |

Do you think that the name of the country of origin can provide valuable information to the consumers as regards production methods consistent with:

| Requested records number records | Number of requested records % of total | | % |
|---|---|--------|----------|
| Social standards/labour conditions? | 3745 | (2.2%) | (2.2%) |
| Safety standards? | 3673 | (2.2%) | (2.2%) |
| Environmental standards? | 3594 | (2.2%) | (2.2%) |
| Human rights? | 3380 | (2%) | (2%) |
| Others? | 617 | (0.4%) | (0.4%) |
| I do not know | 233 | (0.1%) | (0.1%) |

Have you experienced unfair competition from products with false or inaccurate "made in..." claims?

| Requested records number records | Number of requested records % of total | | % |
|---|---|--------|----------|
| Sometimes | 2002 | (1.2%) | (1.2%) |
| Very often | 1676 | (1%) | (1%) |
| Never | 878 | (0.5%) | (0.5%) |

Are you in favour of a compulsory origin marking for imported goods covering the following industrial sectors?:

| Requested records number records | Number of requested records % of total | | % |
|--|---|--------|----------|
| Not only for these products but for all products | 3894 | (2.3%) | (2.3%) |
| Textiles and clothing | 2116 | (1.3%) | (1.3%) |
| Footwear | 1859 | (1.1%) | (1.1%) |
| Leather goods | 1804 | (1.1%) | (1.1%) |
| Furniture | 1566 | (0.9%) | (0.9%) |
| Ceramics | 1520 | (0.9%) | (0.9%) |
| Rubber and tyres | 1327 | (0.8%) | (0.8%) |
| Not for these products but for other products | 267 | (0.2%) | (0.2%) |
| I am against a compulsory origin marking for any product | 181 | (0.1%) | (0.1%) |

Questions for retailers

Have the products that you sell a mark "made in..."?

| Requested records number records | Number of requested records % of total | | % |
|---|---|--------|----------|
| Sometimes | 676 | (0.4%) | (0.4%) |
| Always | 557 | (0.3%) | (0.3%) |
| Never | 115 | (0.1%) | (0.1%) |

Do you sell your products in:

Number of requested records %

| Requested records number records | % of total | | |
|---|-------------------|--------|--------|
| An EU national market only | 975 | (0.6%) | (0.6%) |
| Both EU and non-EU markets | 225 | (0.1%) | (0.1%) |
| Several EU markets | 129 | (0.1%) | (0.1%) |
| Markets outside the EU | 13 | (0%) | (0%) |

| Are you aware of the current EU Member State/s regulation on origin marking applying to your products? | | | |
|---|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| No | 722 | (0.4%) | (0.4%) |
| Yes | 621 | (0.4%) | (0.4%) |

| Have you experienced difficulties with third countries regulations on origin marking? | | | |
|--|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Yes | 511 | (0.3%) | (0.3%) |
| No | 476 | (0.3%) | (0.3%) |
| Not applicable | 272 | (0.2%) | (0.2%) |

| Do you consider that products with a “made in...” mark are preferred by consumers? | | | |
|---|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Yes | 950 | (0.6%) | (0.6%) |
| Depends on the country of origin | 268 | (0.2%) | (0.2%) |
| No | 141 | (0.1%) | (0.1%) |

| Do you think that the name of the country of origin can provide valuable information to the consumers as regards production methods consistent with: | | | |
|---|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Social standards/labour conditions? | 991 | (0.6%) | (0.6%) |
| Safety standards? | 977 | (0.6%) | (0.6%) |
| Human rights? | 976 | (0.6%) | (0.6%) |
| Environmental standards? | 955 | (0.6%) | (0.6%) |
| Others? | 172 | (0.1%) | (0.1%) |
| I do not know | 107 | (0.1%) | (0.1%) |

| Do you think that consumers associate special quality or prestige features of the product to the country of origin? | | | |
|--|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Yes | 1052 | (0.6%) | (0.6%) |
| In some cases | 234 | (0.1%) | (0.1%) |
| No | 68 | (0%) | (0%) |

| Have you experienced unfair competition from products with false or inaccurate “made in...” claims? | | | |
|--|---|--------|----------|
| Requested records number records | Number of requested records % of total | | % |
| Sometimes | 685 | (0.4%) | (0.4%) |
| Very often | 326 | (0.2%) | (0.2%) |
| Never | 316 | (0.2%) | (0.2%) |

Are you in favour of a compulsory origin marking for imported goods covering the following industrial sectors?:

| Requested records number records | Number of requested records % of total | | % |
|--|---|--------|--------|
| Not only for these products but for all products | 1118 | (0.7%) | (0.7%) |
| Textiles and clothing | 632 | (0.4%) | (0.4%) |
| Footwear | 600 | (0.4%) | (0.4%) |
| Leather goods | 592 | (0.4%) | (0.4%) |
| Furniture | 528 | (0.3%) | (0.3%) |
| Ceramics | 499 | (0.3%) | (0.3%) |
| Rubber and tyres | 475 | (0.3%) | (0.3%) |
| I am against a compulsory origin marking for any product | 100 | (0.1%) | (0.1%) |
| Not for these products but for other products | 82 | (0%) | (0%) |

Thank you for participating in this consultation!

How did you perceive the questionnaire?(compulsory)

| Requested records number records | Number of requested records % of total | | % |
|--|---|---------|---------|
| Expectations met | 144680 | (86.8%) | (86.8%) |
|  Expectations not met | 21954 | (13.2%) | (13.2%) |
|   Why? | | | |