



February 2007
AK Position paper

Draft directive of the European Parliament and of the Council Repeal of the rules on nominal quantities for pre-packed products

About us

The Federal Chamber of Labour is by law representing the interests of about 3 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is part of the Austrian social partnership.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community- and military service - of the 3 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labor.

Herbert Tumpel
president

Werner Muhm
general-director

Executive Summary

The Federal Chamber of Labour (AK) has always rejected the Commission proposal to repeal Directives 75/106/EC and 80/232/EC in order to completely abolish the fixed nominal quantities of package sizes in most sectors, and has also found approval here from the Austrian economy and administration.

Incidentally, this is also the opinion of the German consumer organisation VZBV (Federation of German Consumer Organisations) and other consumer associations.

The AK believes that the complete liberalisation of nominal quantities, in practice with few exceptions, grossly infringes the need to create transparent markets for consumers.

Consumers should be able to compare prices between chains or grocery retailers.

Many consumers already feel disoriented nowadays when it comes to the food retail sector (food and non-food sector) and there is a lack of transparency surrounding the current price levels for the products sold in the food retail sector due to increasingly intensive price competition in terms of special offers that are valid for periods that are becoming increasingly short-term.

This would intensify if the standardised package ranges for many consumer groups are liberalised and would lead to a chaotic situation in which any orientation would be lost.

Unit pricing, which has also been addressed by the Commission and which would guarantee complementary price information, can in no way replace the standardisation of package ranges in place until now.

On the one hand, it will take years before consumers get used to unit pricing and use it; on the other, unit pricing is not guaranteed in all grocery retailers and sales points as there are many exceptions and national differences here.

If nominal quantities are liberalised, we should expect not immediately, but relatively quickly, the food retail chains to demand different package sizes from their suppliers.

It would then be impossible for the consumer to make a price comparison between the chains and between grocery retailers.

The buying decision process of consumers is nowadays characterised by orientation towards the brand, the package size needed and the price. With the large range of nominal quantities as it is nowadays in the various goods sectors, this says more for further standardisation and a tightening up of nominal quantities instead of extending nominal quantities / complete liberalisation.

Moreover, additional costs would arise for companies and fillers due to the desire for different package sizes on the part of the food retail sector, which would ultimately be borne in turn by consumers. From a national viewpoint, such an approach is counterproductive.

It should be noted in theory that standardisation means optimisation for all market partners and national economies on the whole as it helps to lower the information costs and transaction costs.

This principle applies to technical standardisation as well as to product structuring on the various markets.

Three suggestions for improvement instead of adverse changes:

Instead of the completely nonsensical liberalisation of pre-packed product sizes, which also contradicts the need for transparency and the consumer protection goals of EU law, the AK proposes three improvements within the meaning of consumer protection for pre-packed product sizes:

1. Gradual harmonisation and further standardisation of nominal quantities in order to establish better transparency on the single market for consumers and a cost reduction for suppliers.

2. Introduction of a minimum quantity principle instead of the mean quantity rule up to now.

The minimum quantity principle should apply in future to the European regulation in force up to now, which involves taking a certain sample of the packages being examined and inferring the correct quantity from a calculated mean of the contents dependent on the production volume of the packages.

Thanks to advances in packaging and filling technology, this principle – which incidentally was working smoothly in many sectors in Austria until EU accession – can be realised by companies (manufacturers) without difficulties and it also offers the advantage that it can be administered by the authority without costs.

In addition, it corresponds to the concept of consumer protection.

3. Solution to the problem of dummy packages.

In the single market, the problem of so-called dummy packages, i.e. any package forms that pretend to have a higher filling volume owing to their outward appearance than that which is actually contained in them, is still largely unresolved.

With regard to the realisation of a homogeneous single market, it therefore seems reasonable to also find a European solution here that corresponds to the concept of consumer protection in order to settle this problem once and for all not only with regard to consumer policy objectives (protection against deception), but also with regard to the associated environmental and resource policy objectives as well as problems that distort competition.

The AK therefore appeals to you, in the interests of European consumers, to take these arguments into account during your deliberations and to adhere to the legal position heretofore in force.

For further questions please contact

Mr. Karl Kollmann

(expert of AK Vienna)

T +43 (0) 1 50165 -2307

karl.kollmann@akwien.at

as well as

Mr. Frank Ey

(in our Brussels office)

T +32 (0) 2 230 62 54

frank.ey@akeuropa.eu

Bundesarbeitskammer Österreich

Prinz-Eugen-Strasse, 8-10,

A-1040 Vienna, Austria

T +43 (0)1 50165-0

F +43 (0)1 50165-0

AK EUROPA

Permanent Representation of Austria to
the EU

Avenue de Cortenbergh, 30

B-1040 Brussels, Belgium

T +32 (0)2 230 62 54

F +32 (0)2 230 29 73