



A Statement on the Occasion of the Commemoration of the World  
Consumer Rights Day

“CONSUMER JUSTICE NOW”

By

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MINISTER OF TRADE AND INDUSTRY

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Director of ceremonies  
Esteemed invited guests  
Members of the media  
Ladies and Gentlemen,

It is my distinct honour and pleasure to officially open this event on the commemoration of World Consumer Rights Day in Namibia.

I wish to thank you all for having taken time off your busy schedules to attend this important event.

The World Consumer Rights day was enunciated in 1962 by US President John F. Kennedy, and the first four consumer rights were officially declared by President John F. Kennedy on the March, 15<sup>th</sup> 1964. Subsequently, another four rights were expanded on by the Consumers Internationally.

The 8 UN Consumer Rights Guidelines are:

- Right to satisfaction of basic needs;
- Right to safety;
- Right to be informed;
- Right to choose;
- Right to be heard;
- Right to redress;
- Right to consumer education; and
- Right to a healthy and sustainable environment

The aim of the principle and concept of consumer protection is to protect consumer through several rights.

In the absence of a comprehensive Consumer Protection legal framework, in Namibia, institutions like Namibian Competition Commission (NaCC), the Bank of Namibia (BoN), the Namibia Financial Institutions Supervisory Authority (NAMFISA), Namibia Standards Institute (NSI), Namibia Consumer Trust (NCT) amongst others, are providing redress mechanism for the injustices against consumers in their respective sectors, jurisdictions and areas of interest.

The consumer-producer relationship ought to be equal, on the assumption that both parties have equal bargaining power and the necessary knowledge to enter into a transaction; that a consumer knows which good or service he/she purchase, from who and at what price. Suppliers should advertise products indicating the quality, contents of the product and the effect thereof from the use of the product. On which basis a consumer then makes an informed choice of purchasing the product or service.

However, in most cases, the consumer and the supplier are not equal; neither do they have equal bargaining powers.

The need to protect consumers arises from the imbalanced relationship between the consumers and the suppliers. It is evident that suppliers are in a dominant position. The need to protect consumers is also based on the fact that consumers may have the necessary information to exercise their choices, but, factors such as the level of literacy and level of affordability may hinder consumers to make uninformed choices.

Therefore, it is the duty of government to ensure that products selected by consumers are safe and of a certain standard and quality.

## **Director of Ceremonies**

### **Ladies and Gentlemen,**

The general aim of consumer protection rules is to provide assistance to final consumers in their market transactions either through preventing or remedying market failures. Therefore the Consumer protection law addresses information inefficiencies.

It is worth noting that consumer protection does not only concern dealing with consumers and suppliers, but also with products and services acquired by the consumer, the quality, the standard, the safety, the ingredients and the effects thereof, of consuming the good or service acquired.

The principle of consumer protection can be recognized as an area regulating private law relationships between individual consumer and businesses. This law covers a broad range of topics that incorporates limited product liability, privacy rights, unfair business practices, fraud, misrepresentation and other consumer/business interactions. It deals with credit and debt repair, product safety, services and sales contracts, bill collector regulation pricing, and turnoffs.

As is common knowledge, Namibia, although having made recent advances in the field of consumer protection, is still at its infant stage of the matter. This has and continues to result in; non recognition of the consumers rights due to limited or costly avenue for recourse, the

illiteracy of the consumers in respect of their rights, and the continued increase in unfair trade practices. The above has therefore resulted in consumer exploitation. Namibians find themselves without appropriate avenues to find redress when their rights are infringed and often feel powerless to stand up against mistreatment.

consumer has the right to basic goods and services which guarantee survival, the right to be protected against dishonest or misleading advertising or labelling, the right to choose products and services at competitive prices with an assurance of satisfactory quality, amongst a wide array of rights which are unfortunately unknown to the masses, further highlighting the importance of consumer protection to the economy and hence the need for consumers to be protected.

To that effect, I am pleased to report that Namibia has formulated a series of enactments in attempts to redress consumer exploitation under sector regulation. These laws are additional to their regulatory mandate, designed to prevent businesses that engage in fraud or specified unfair practices from gaining an advantage over competitors and may provide additional protection for the weak which has both direct and indirect impacts on the consumer. The current legislative protection awarded to consumers is, however, insufficient and fragmented and it is my assertion that we must develop our own comprehensive consumer legislation to ensure some level of responsibilities to institutions concerned.

**Director of Ceremonies**  
**Ladies and Gentlemen,**

The Namibian Competition Commission for one is by virtue of Act No. 2 of 2003 mandated with the powers over competition issues across all sectors of the country's economy. It also has the purpose of providing consumers with competitive pricing and increased product choice as per Section 2 (b) of the Act. It is thus encouraging that the Commission takes high regard for consumer issues in the country and especially in light of the absence of legislation on consumer protection.

The NaCC interrogated the link between consumer protection and competition policy and Law. The Commission has finalized a comprehensive study that proposes concrete recommendations in respect of the strong relevance between consumer and competition protection in Namibia.

Evidence indicates that having one without the other compromises the attainment of the purpose for which the Competition Commission was established. Generally, competition policy and consumer protection share one common overarching goal of enhancing consumer welfare. Competition policy promotes efficient allocation and utilization of resources, which are usually scarce in developing countries such as ours. This leads to increased output, lower prices increased quality and standards all to the benefit of consumers.

Consumer Protection on the other hand approaches markets from the demand side ensuring that consumers are able to exercise intelligently and efficiently the choices that competition provides. Subsequently, a workshop on Consumer Protection was held in September 2012 where different stakeholders interrogated the issues of consumer protection.

There is no doubt that both competition regulation and consumer protection have the interest of consumers at heart and aim to enhance consumer welfare. It is thus important for all institutions involved to consider all possible avenues which will ensure the most befitting approach for Namibia in terms of institutional approaches.

Allow me here to explore another nascent link between Consumer Protection and our new efforts towards a new development path – the Industrial Policy.

Namibia is a young country, with a fragile economy and underdeveloped manufacturing sector. The state has started an initiative to protect specific upcoming/infant industries from foreign monopolistic multinational companies. It is however necessary that a new criteria be set for the protection of infant industries not to impact negatively on consumers during and after the protection. Similarly, the protected industry should act in the best interest of the consumers. For in this special case, not only does the latter form the backbone by means of being the focus of the industry's goods and services, but by directly subsidizing the industries during the protection period. Infant protection should therefore be devised in a way that benefits both the local consumers and the industry in the end, especially the offer of flexible and fair prices. Monitoring the abuse of such an 'economic subsidy' to prevent local producers hiking prices is imperative, and efforts should be made towards strengthening our regulating agency, the NaCC to carry such a function optimally.

The challenge we are facing is not only to protect the existing customers, but we need to put more effort in bringing the masses excluded from the mainstream into the fold.

## **Ladies and Gentlemen,**

As we commemorate Consumer Protection Day today, it is noteworthy that the recent revelations designed to create labeling panic among meat and maize meal consumers and the general public in Namibia is of serious concern to the Ministry of Trade and Industry as these have direct bearing on business in the said products. The deception of consumers through mislabeling are bound to lose trust in the labelling process and this can have detrimental consequences for the market acceptance of meat and maize products originating from this region.

According to the Meat Board, cattle farmers utilize 52 per cent of Namibia's natural environment while 33 per cent of the farming land is used by small-stock farmers producing Namibia's succulent red meat e.g. beef, mutton, goat and game from animals that feed on natural vegetation, without the use of growth stimulants, antibiotics or animal by-products. This, stories are also about, certain maize products adulterated by other unwelcome ingredients contrary to the statements appearing on their labels.

Labelling is covered by the now obsolete Trade Metrology Act No. 77 of 1973 which is currently being reviewed with a view to repealing it once a new legislation is approved. A new Metrology Bill is drafted and together with new regulations the Bill is tabled before Cabinet Committee on Trade and Economic Development (CCTED) and in preparation for submission to Cabinet for Approval in Principle.

Meanwhile, I would like to seize this opportunity to caution all food producers and business operators to take note that government will not



tolerate fraudulent and misleading labels on any product circulating in or sold in the Namibian market. When the label says a meat product is biltong, for example, it must, in deed, be biltong. Equally when the label indicates that a food product does not contain genetically engineered (GE) organisms, or that the GE organisms are within the legally permissible limits, it must truly be the case. Otherwise, the Government assumes that the labels are intentionally designed to fraudulently influence the consumer's decision to buy the product - irrespective of its inherent characteristics.

In terms of the regulations issued under the Trade Metrology Act, any person, in contravention of the law, shall be guilty of an offence which may lead to the confiscation of the goods, a fine or imprisonment or, both.

With these words, I officially welcome you to the celebrations of World Consumer day and wish you fruitful deliberations.

I thank you.