

**SPEECH BY MR SAM TAN,
SENIOR PARLIAMENTARY SECRETARY,
MINISTRY OF TRADE & INDUSTRY
DURING THE COMMITTEE OF SUPPLY DEBATE UNDER HEAD V
(MINISTRY OF TRADE & INDUSTRY) ON 4 MARCH 2011**

1. First let me thank Mr Yeo Guat Kwang for his feedback and keen interest in championing consumer protection.
2. Singapore has a multi-tiered consumer protection framework with *caveat emptor*, or “buyers beware”, as its cornerstone. Given the diverse and evolving range of consumer products and services, consumer education and awareness to enable them to discern the best deals for themselves, and reject unrealistic promises is the most sustainable approach. This is the principal which Case has been promoting all these years. Case’s active role in consumer education is thus key to our overall consumer protection framework.
3. Our consumer protection legislation provides the next level of defence. Our legislation needs to carefully balance risks against costs, as sweeping and prescriptive legislation will lead to higher business costs that may be passed on to consumers. We regularly review and update our legislation in line with international best practices.
4. Mr Yeo Guat Kwang enquired on the progress of the consumer product safety framework. I’m pleased to report that MTI has completed a review of our consumer product safety framework. Beyond the 45 controlled goods mentioned by Mr Yeo, we will also be enhancing our consumer products safety regime to cover general consumer goods in line with international standards. MTI will be issuing the Consumer Goods Safety Requirements Regulations, or CGSR, to give SPRING Singapore the power to stop the supply of consumer goods that do not meet international safety standards. Under these regulations SPRING will also have the power to direct suppliers to inform their customers of the potential dangers of such goods. Suppliers who do not comply can face a maximum

penalty of up to \$10,000 fine or imprisonment of up to two years, or both. The CGSR, drafted with feedback from stakeholders such as Case, consumers and retailers, will take effect from 1 April 2011.

5. Mr Yeo Guat Kwang mentioned the need to provide safety information such as age group, health and hazard warnings on products. With the implementation of the CGSR, all consumer products are required to meet the applicable international safety standards to protect consumers more effectively. The CGSR will protect consumers directly compared to the provision of safety information. Some manufacturers are already stating information such as suitable age groups and health warnings on their products today. Consumers who find such information useful will likely purchase these products, which will encourage importers to bring in more products with safety information clearly stated. Nonetheless, we will consider a regulatory approach if the market mechanisms are unable to provide consumers with information critical to the safe use of the products.

6. Mr Yeo Guat Hwang also asked for an update on Lemon law. At the last Committee of Supply Debate, I mentioned that MTI was studying the necessary legislative changes to introduce a Lemon Law in Singapore. Most of the key features of lemon laws, as implemented in other developed economies, are already present in Singapore's legislation. For instance, under existing law, a consumer may reject goods purchased within a reasonable period and obtain a refund if the purchased good is not of satisfactory quality. However, the lack of express legal provisions for the repair and replacement of defective products in the current legislation made it less easy for consumers to seek these remedies. By providing greater clarity, the new provisions will address the problems of some suppliers refusing to replace a defective product after repeated failed attempts at repair. I am pleased to announce that we have completed public consultation on the proposed legislative changes. The feedback from the public has generally been positive. We intend to move the legislation in Parliament later this year.

7. Our approach is to limit the legislating of specific consumer practices to targeted industries, where the proliferation of errant businesses makes it difficult for the industry to self-correct through consumer education and accreditation alone. Mr Yeo asked if the five-day cooling-off period can be extended to the beauty industry. For the beauty industry, the cooling-off period has already been part of the CaseTrust programme, launched with MTI's support. It recognises and encourages good practices such as giving customers a cooling-off period and not selling to customers during treatment. The accreditation programme enables consumers to make better choices without going down the route of imposing prescriptive regulations on the entire industry, which will result in higher business costs that will ultimately be borne by consumers. As the accreditation programme has just been launched last year and is currently being enhanced, we believe it will be best for now to monitor its effectiveness together with Case, and we will tighten regulations in the industry if necessary.