

2023



2. Consumer protection law

The Arab Business Legislative Frameworks

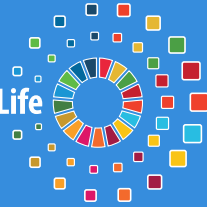


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Economic and Social Commission for Western Asia

2. Consumer protection law

The Arab Business Legislative
Frameworks (2023)



UNITED NATIONS
Beirut

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The report encompasses legislative evaluations from the following 22 Arab countries:

Gulf Cooperation Council (GCC) countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.

Middle-Income Countries (MICs): Algeria, Egypt, Jordan, Morocco, Lebanon, Tunisia.

Conflict-Affected Countries (CACs): Iraq, Libya, State of Palestine, Syrian Arab Republic, Yemen.

Least Developed Countries (LDCs): Comoros, Djibouti, Mauritania, Somalia, Sudan.

Note: The report's conclusions are based on ESCWA's assessments of legislation available up to August 2023. ESCWA intends to regularly update the framework, indicators and outcomes of this study in the future.

Overview

Over the last two decades, there has been significant changes in business regulations across the Arab region to address the need for making markets more robust and competitive, and thus accelerate economic growth. The pathways to change varied due to different national contexts and priorities. For instance, priority in Gulf Cooperation Council (GCC) countries has been given to economic diversification. Middle-income countries (MICs) mostly focus on attracting foreign direct investment, while the least developed countries (LDCs) strive to stimulate economic growth.

Regular reforms in business legislation are necessary for ensuring market sustainability, enhancing economic competitiveness, creating employment and facilitating trade. Importantly, robust and well-implemented regulations play a crucial role in advancing the Sustainable Development Goals (SDGs), whether through fostering social equity or advocating responsible consumption.

In recognition of this role, the United Nations Economic and Social Commission for Western Asia (ESCWA) has paid special attention to economic and business governance in the Arab region. In 2015, ESCWA published “Competition and Regulation in the Arab Region”, a study addressing the growing concern of market structure and regulatory aspects in the region. The First Arab Competition Forum, which was held in Beirut in January 2021 highlighted the work needed in areas such as competition law, consumer protection, procurement, anti-corruption, and foreign direct investment.

To close these gaps, ESCWA launched the Arab Business Legislative Frameworks (ABLF) report in 2021. The report provided a holistic assessment for legislation related to competition, consumer protection, anti-corruption and foreign direct investment. The assessment indicators were based on international standards with the aim of capturing the different components of legislation, such as the presence of a legislation in the first place, the clarity of the definitions within that legislation, the

efficiency of institutional enforcement and implementation of the provisions of legislations, transparency factors and whether a country had signed international trade agreements. The objective of this series is to provide regional policymakers and researchers with a reference that drives legislative reform and effective consumer protection law enforcement.

Building on the previous report, and to account for the amendments and new legislations that have been adopted in response to the COVID-19 pandemic, ESCWA conducted a new assessment of the ABLF. The updated assessment incorporated the theme of corporate law to capture legislative strengths and gaps, and the four themes of the original assessment (competition, foreign direct investment, anti-corruption and consumer protection) were significantly modified.

The modifications considered the pressing need for robust legislations that address consumer protection in the digital market, an issue that has gained much importance in the aftermath of the COVID-19 pandemic. The foreign direct investment (FDI) methodology has also been significantly altered in terms of its components and indicators. The updated FDI methodology not only covers the initial entry of FDI, but also FDI operations and regulations for profit repatriation and currency conversion.

This report highlights that, while each of the five fields of assessment plays a unique role in shaping the business landscape, they are closely interlinked. For example, competition laws serve as market equalizers, fostering a culture of innovation. Consumer protection mechanisms build trust, enhancing the market’s overall integrity. FDI rules act as gatekeepers for international capital, affecting the economic pulse of a nation. Anti-corruption initiatives contribute to ethical governance, a feature highly valued by both local and international stakeholders. Lastly, corporate laws offer the structural guidelines that govern business operations, ensuring that companies are held accountable

¹ The Arab Competition Forum, and many other events that ESCWA organizes to address competition and consumer protection issues, are a result of a trilateral agreement between ESCWA, UNCTAD, and the OECD. This agreement aims to create platforms for knowledge exchange between countries in the region on topics related to regulatory reforms, especially competition policy.

when violations to corporate rules occur, and markets remain stable.

Yet, when these legislative areas operate in harmony, they reinforce each other and amplify their positive impact on markets and economies. Strong competition laws, for instance, enrich consumer choice and incentivize capital inflow. Effective consumer protections extend beyond individual rights, creating a market atmosphere conducive to investment. Likewise, a transparent corporate regime enhances legal clarity and sustainability, factors that are attractive to potential investors. Thus, the alignment of these legislative pillars is crucial for the creation of a vibrant and sustainable business ecosystem. Gaps or misalignments, however, could erode trust and hinder economic progress. Understanding and enhancing the interplay between these fields is vital for fostering a robust, sustainable business environment.

The assessment results offer a comprehensive overview of each field of study. This indicates that the region has made considerable progress in terms of competition laws, particularly in the GCC countries. However, LDCs are still lagging, with persistent issues around transparency and definitions. Consumer protection, on the other hand, is the weakest link among all legislative areas even though the increasing focus on digital transactions requires robust and effective regulations.

There has been remarkable progress in anti-corruption measures, particularly in the GCC and MIC subregions. Nevertheless, there are lingering challenges, especially in areas of digital governance and transparency. Legislation across the Arab region greatly facilitates the inflow of FDI and offers protections and incentives to

foreign investors and to intellectual property. Corporate law reveals both advancements and gaps. While digital platforms for business registration are becoming commonplace, especially in the GCC countries, Egypt, Morocco and Tunisia, there is a glaring absence of binding regulations regarding Environmental, Social and Governance (ESG) compliance.

The report underscores the urgent need for policymakers to adopt a balanced approach to business legislation. While consumer protection should be a priority, other fields, such as competition law, anti-corruption measures, FDI and corporate law, should be improved. Business legislation should be approached as a balanced ecosystem. A weakness or gap in one area could have ripple effects across others. Therefore, a holistic approach considering the interplay between different sectors is crucial. Moreover, businesses should engage actively in regulatory dialogues to ensure that the laws are practical, enforceable and conducive to economic growth.

The 2023 ABLF report is more than a diagnostic tool; it is a roadmap for future action across multiple sectors. Report findings are instrumental for researchers, policymakers, investors and businesses, especially small and medium-sized enterprises (SMEs), offering a detailed guide to navigating the complex regulatory landscape. **It should, however, be stressed that the scope of the assessment methodology covers only the legislative side of the fields under study. The scores and classification do not reflect the enforcement level of these laws, policies and regulations.** Given that the level of enforcement is the measure of the real impact, future studies should explore this more closely, and evaluate the effects of implementation on both businesses and consumers.



Key Messages



.....

Consumer protection legislation is notably the weakest among the business laws studied in the Arab region.



.....

The transition to digital transactions demands robust and flexible regulations. Only Gulf Cooperation Council (GCC) countries and middle-income countries (MICs) cover e-commerce adequately.



Promoting sustainable consumption practices is still at a basic regulatory level across the Arab region.



In least-developed countries (LDCs), the framework for consumer protection is considered particularly weak, highlighting a critical area for development.

1



Consumer protection law

A. Consumer protection legislative frameworks in the Arab region

The bedrock of economic prosperity and business continuity is firmly rooted in the business regulatory framework, and the consumer protection laws and regulations serve as cornerstones that underpin business stability and reinforce economic growth. These laws not only promote ethical business conduct but also enhance consumer trust in the market, leading to a robust business environment. As the world enters the digital era, with its rapid technological advancements and complex international transactions, these principles are being put to the test, pushing policymakers to recalibrate their approach to ensure digital inclusion and strengthen enforcement mechanisms.

Consumer protection across the Arab region has been shaped by the rise of economic liberalization and shifting market dynamics. This led to the adoption of regulations that shield consumers in a marketplace undergoing continual transformation. However, the transformation brought by e-commerce and digital transactions has thrown new challenges into the mix. Consumers now find themselves in the vast landscape of the online marketplace, where they face an array of novel risks and vulnerabilities. The increasing shift to digital transactions amplified the need for robust and adaptive regulations to effectively protect consumers from online threats, including fraudulent activities and privacy breaches. Despite significant progress made in consumer protection laws across the Arab region, effective implementation and enforcement in the new digital frontier pose a considerable challenge.

According to UNCTAD recommendations ([TD/B/C.I./CPLP/34](#)), building trust in digital markets through enhancing consumer protection in online platforms is pivotal, and this can be done by further tackling the following: consumer information/education and business guidance, advertising, data protection, responsibility of online businesses (particularly platforms), unfair, misleading and dark commercial patterns, product safety purchased online, dispute resolution, and ensuring that the protection afforded to online consumers should be no less than that afforded to other forms of commerce.

In the meanwhile, there has several initiatives by international organizations to guide the way. One such initiative is the United Nations Conference on Trade and Development North Africa and Middle East (UNCTAD

MENA) Programme which has been pivotal in promoting consumer protection laws and laying foundational frameworks. In 2020, ESCWA and UNCTAD collaborated to bring together Arab officials with experts in the field of consumer protection in the digital market. The meeting underlined the importance of addressing the significant gaps in the e-commerce consumer protection regulations that the COVID-19 pandemic showcased.

Overcoming these shortcomings, however, is fraught with hurdles such as limited resources, capacity constraints, and institutional framework gaps. Moreover, ensuring the full realization of consumer protection objectives requires strong oversight institutions. Furthermore, a keen investment is needed in educating regulators and law enforcement officials, as they are the front line in enforcing these crucial laws.

ESCWA's assessment of consumer protection laws encompasses several key components, such as physical safety regulations, measures enabling consumers to obtain redress, the protection of consumer economic interests, the promotion of sustainable consumption and e-commerce consumer protection. The research team at ESCWA has recently added the latter component in response to the distinct challenges raised during the COVID-19 pandemic and the digital age.

With the exception of Somalia, and the Sudan, most Arab countries have established physical safety provisions. These provisions outline procedures for monitoring and addressing violations of physical safety and involve enforcement mechanisms and authorized institutions. Exemptions in physical safety regulations are often related to the medical or military sectors due to specific considerations in these domains. Ensuring the protection of the economic interests of consumers is a central consideration in consumer protection laws in the Arab region. Most Arab legislation provide consumers with clear legal rights and protections concerning their economic transactions. These laws emphasize transparency in pricing, ensuring consumers have access to complete information on ingredients and manufacturing processes. They also aim to safeguard consumers against unfair practices like price gouging, fraud and manipulation.

Despite this progress, consumers in most Arab countries only have access to national processes and procedures when seeking redress. This hampers their ability to seek resolution in cases involving cross-border transactions or disputes with foreign businesses. Enhancing access to regional or international redress mechanisms is essential for strengthening consumer protection in Arab countries. By expanding avenues for redress, consumers can effectively address grievances and ensure their rights are upheld, fostering trust and confidence in the marketplace. From here the importance for Arab States to further their endeavors in developing fair, effective, transparent and impartial mechanisms to address consumer complaints through administrative, judicial and alternative dispute resolution, including for cross-border cases.

Since the assessment of the first Arab Business Legislative Frameworks report and results in 2020, only 3 member States introduced new changes to their consumer protection regulatory frameworks. Those countries are:

- Mauritania: Consumer Protection Law (No. 007/2020);
- Syrian Arab Republic: Consumer Protection Law (No. 8/2021);
- United Arab Emirates: Consumer Protection Law (No. 15/2020).

The research team has identified an improvement in the regional score due to the mentioned amendments showing progress toward achieving effective consumer

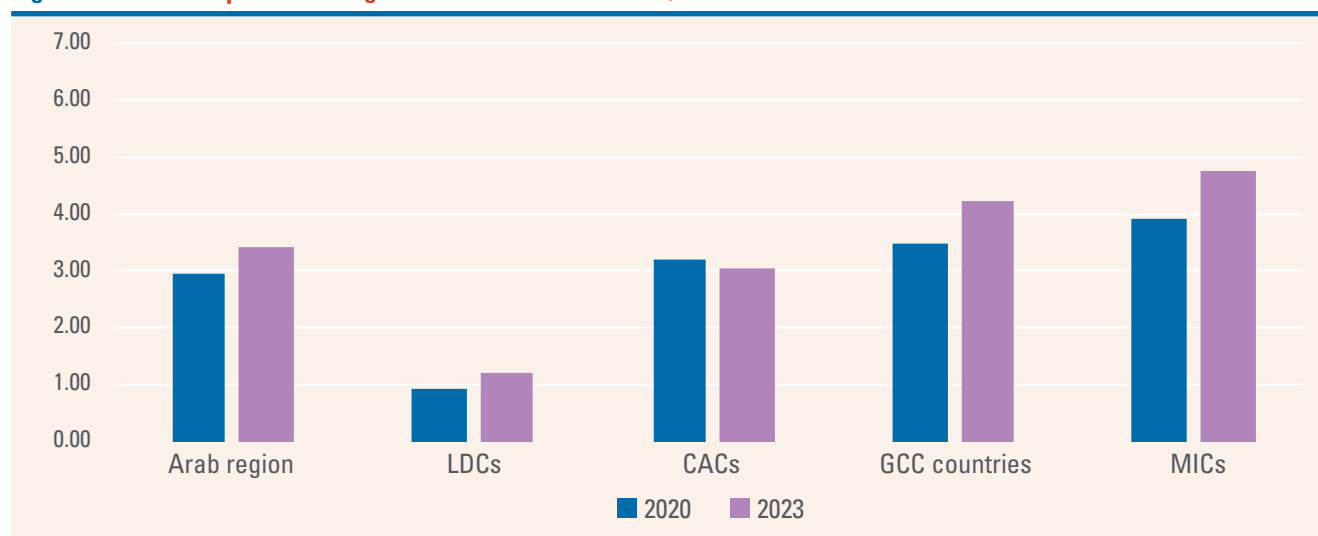
protection legislation relative to the international best practices. The regional consumer protection legislative framework is still considered “Moderate”; however, at the moment, the assessment results have seen an improvement in many levels, especially the assessment elements such as improvements in the quality of laws, definitions, and transparency.

Figure 1 shows the progress in the results between 2020 and 2023. MICs and GCC subregional scores have improved from moderate to “Developed”. The subregional score for LDCs is still considered weak, and CACs remained at the moderate level.

Although the regional score is still moderate, all the components included in the consumer protection legislative assessment have shown some improvement. The improvements from 2020 to 2023 highlight a commitment to aligning more closely with international standards. The score for measures enabling consumers to obtain redress, physical safety regulations improved from moderate to developed. There have also been improvements regarding protecting consumer economic interest, with a “Strong” classification that closely matches international guidelines and model law templates.

However, certain areas, such as e-commerce as well as the promotion of sustainable consumption, require more focused attention. Given that e-commerce area has been introduced only recently, its legislative framework is still at a

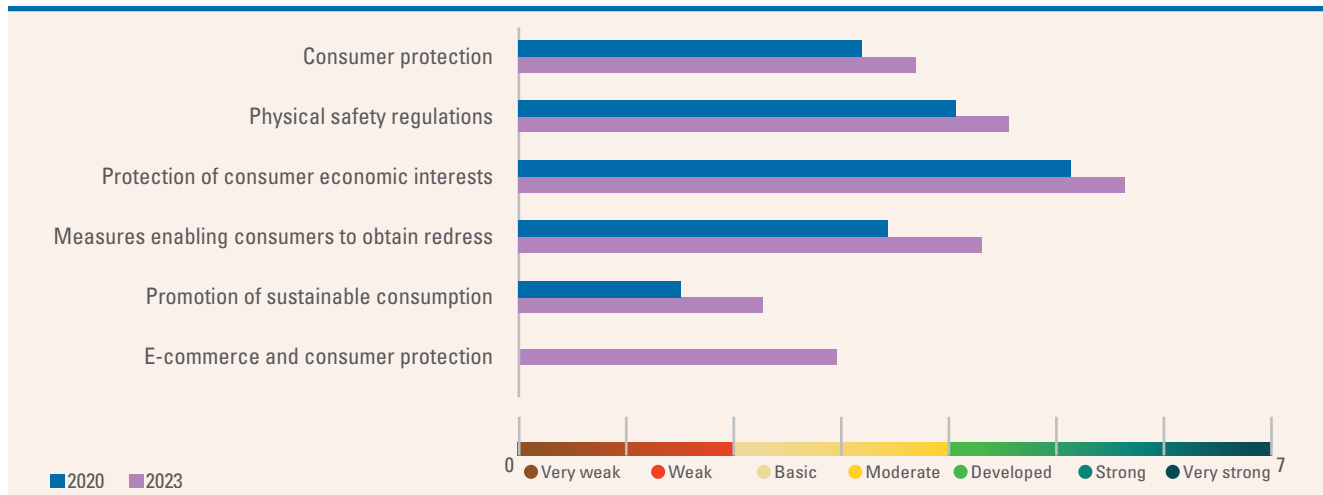
Figure 1. Consumer protection legislative assessment scores, 2020–2023



Source: ESCWA calculations.

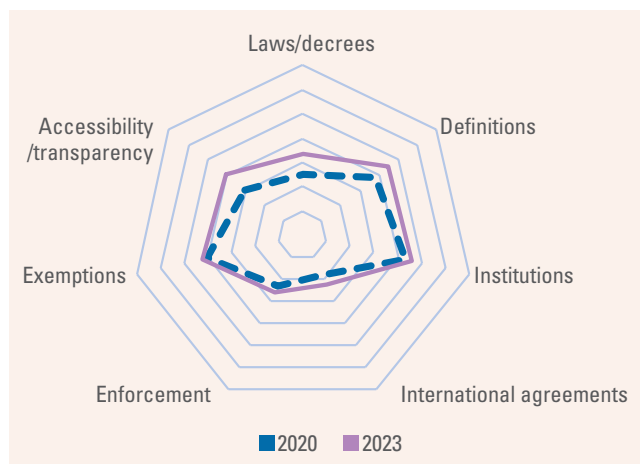
Note: the score ranges from 0 to 7, where the classification between 0 and 1 is considered very weak and between 6 to 7 is considered very strong. Please check the methodology.

Figure 2. Scores of consumer protection main components in the Arab region, 2020–2023



Note: the score ranges from 0 to 7, where the classification between 0 and 1 is considered very weak, and between 6 to 7 is considered very strong. Please check the methodology section.

Figure 3. Progress in the score of consumer protection elements, 2020–2023



Source: ESCWA calculations.

Note: the score ranges from 0 to 7, where the classification between 0 and 1 is considered very weak and between 6 to 7 is considered very strong. Please check the methodology.

basic level. Also, while promoting sustainable consumption legislation has improved from “Weak” to “Basic”, it still lags behind the other categories. Therefore, efforts must continue to enhance these areas to ensure comprehensive consumer protection.

In assessing the trajectory from 2020 to 2023, remarkable progress is noted across various legislation elements (figure 3). There are noteworthy improvements in ‘Definitions’ and ‘Accessibility/Transparency’, from a “Moderate” to a “Developed” stage, illustrating not only a greater alignment with international standards but also commendable advancements in refining legislative definitions and in

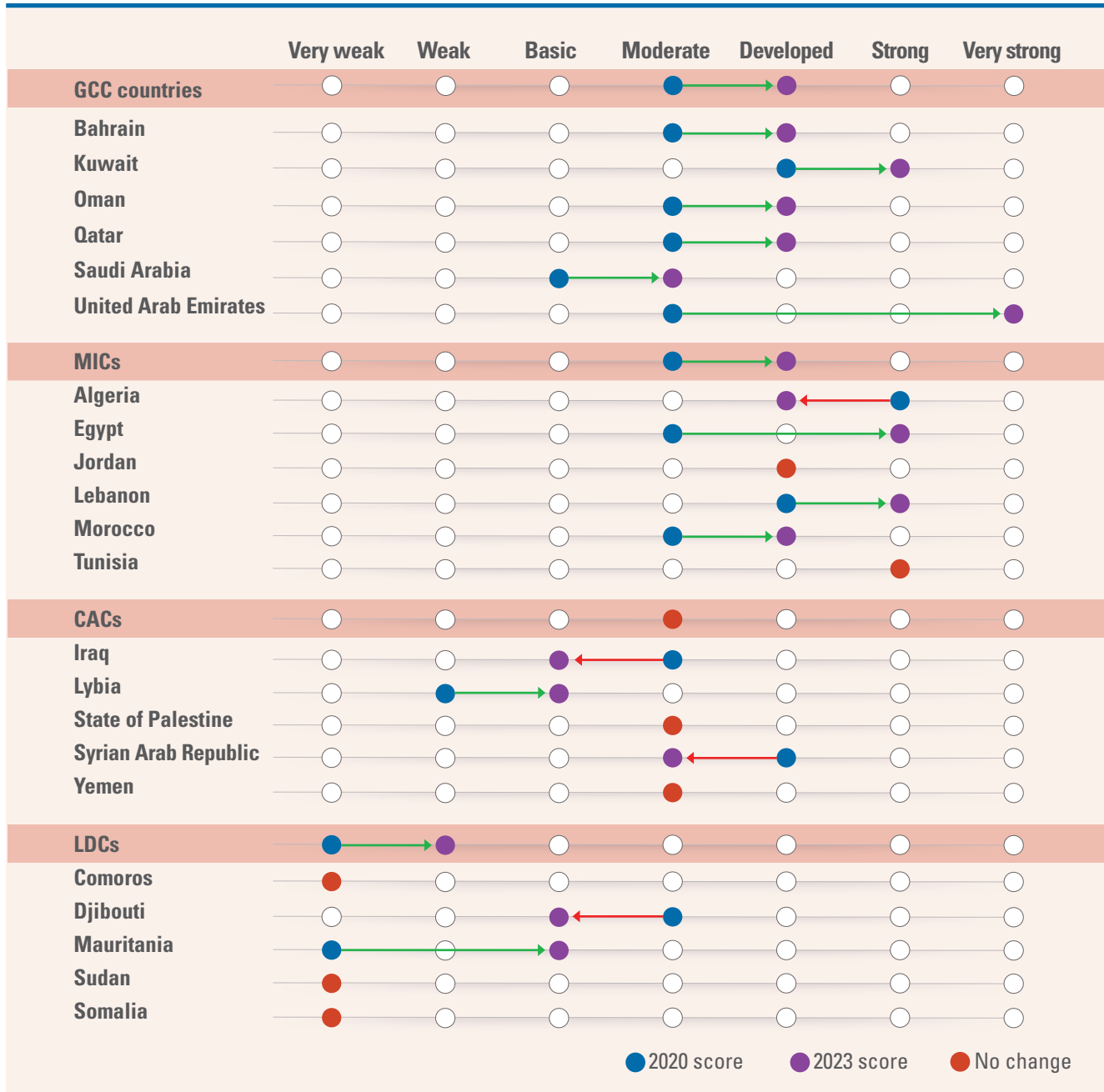
augmenting the transparency and accessibility of consumer protection mechanisms.

On the other hand, areas like international agreements and enforcement mechanisms still require further attention. The score for International agreements has evolved from a “Weak” to a “Basic” stage but maintains a relatively low score. Enforcement mechanisms, though exhibiting slight improvement, still fall within the “Basic” category, underscoring the need for enhancement in the efficacy of these mechanisms.

As shown in figure 3, scores of other legislative elements, such as the presence of laws and decrees, the lack of exemptions, and regulations regarding the presence of institutions, are steadily on the rise. ‘Laws/decrees’ have progressed from a “Basic” to a “Moderate” stage. ‘Exemptions’, maintaining a “Developed” status, suggest effective handling of exemptions in the legislative structure. While the ‘Institutions’ element, crucial to implementing and enforcing any regulatory system, remained within the “Developed” category.

Figure 4 illustrates the overall classification and the progress of various countries in the Arab region in strengthening consumer protection legislation between 2020 and 2023. Significantly, the introduction of e-commerce consumer protection as a new major topic in the assessment process appears to have influenced the evaluations. Although only three countries have introduced legislative amendments during this period, the classification changed based on the updated assessment that aimed to capture the most recent international standards.

Figure 4. Changes in national scores for the competition legislation assessment in the Arab region, 2020–2023



The score for the United Arab Emirates has moved from a “Moderate” classification in 2020 to a “Very strong” status in 2023. This advancement shows rapid progress in establishing comprehensive consumer protection legislation. Mauritania appears for the first time in the 2023 assessment with a “Basic” classification.

The score for Iraq has declined from “Moderate” to “Basic”. This downward trend reflects the challenges countries face in maintaining and enhancing consumer

protection, especially with the evolving demands of e-commerce. It further highlights the importance of continuous investments in this area to keep pace with the changing dynamics of commerce. A number of countries remained consistent in their performance. Tunisia maintained its “Strong” classification over the years, suggesting steady efforts. Conversely, countries like the Comoros and the Sudan remained in the “Very weak” classification, pointing to the persistent gaps in the semi-absence of consumer protection legislation and enforcing

regimes. This mixed progress across countries underscores the varied challenges and successes in consumer protection in the Arab world.

Shortcomings were identified in product safety provisions, the protection of vulnerable groups, and international coordination. There is a critical need to strengthen product safety provisions to protect consumers better. Moreover, current laws often overlook vulnerable groups, such as low-income consumers, necessitating more inclusive

protections. Finally, the lack of international coordination hampers efforts to elevate consumer protection standards globally, suggesting a need for better collaborative agreements with consumer protection bodies regionally and worldwide. These findings underscore an urgent need for strategic and concerted efforts to strengthen consumer protection frameworks in the Arab region to ensure more robust, inclusive, and effective protection for all consumers.

B. Gulf Cooperation Council countries

Between 2020 and 2023, Bahrain, Kuwait, Oman, Qatar and Saudi Arabia made noticeable changes in their consumer protection legislation. Bahrain and Qatar have notably improved their status, progressing from “Moderate” to “Developed”. Kuwait exhibited some improvement and is now

at the “Strong” level. Oman also made some progress and reached the “Developed” standing. Saudi Arabia shifted to the “Moderate” category, signaling the need for more significant advancements in their consumer protection framework and the enactment of their draft consumer protection law.

Figure 5. The overall score of GCC countries across the five components of the consumer protection assessment



Source: ESCWA assessment 2023.

The United Arab Emirates stands out, making a substantial leap from a “Moderate” to a “Very strong” classification in consumer protection legislation. This leap was catalyzed by the introduction of a new consumer protection law (Federal Law No. 15 of 2020), replacing the previous Federal Law No. 24 of 2006. The updated law incorporates e-commerce service providers in its regulatory landscape, reflecting the surge in the country’s e-commerce activity. Provisions for consumer privacy and data protection were introduced, treating unauthorized use of consumer data as a breach of rights, thereby obliging suppliers and businesses to secure their customer data. The law makes it mandatory to use Arabic-language documentation. Furthermore, the law enforces stricter penalties violations, including fines and imprisonment.

1. Physical safety regulations

Physical safety provisions within the GCC countries demonstrate a consistent and firm commitment to consumer protection. In countries like Qatar and Oman, legislation prioritizes the prevention of harm from unsafe commodities or services, ensuring that the rights to safety are guaranteed and effectively enforced. The commitment to consumer protection is also reflected in the robust provisions in the legislation of the United Arab Emirates to address challenges posed by the digital marketplace, effectively expanding the scope of consumer safety in e-commerce. Furthermore, all the GCC countries have ratified the Unified Commercial Anti-Fraud Law. The Law aims to establish legal actions and policies to reverse commercial fraud. This fraud poses risks to public health and safety, and harming lawful businesses and overall trade.

Safety provisions in Kuwait and Bahrain reveal a meticulous approach to standards enforcement and supplier accountability. From stringent safety criteria to the involvement of various committees and departments, these countries have adopted a comprehensive approach to safeguard consumer interests. Despite the absence of a formal consumer protection law in Saudi Arabia, the impending legislation following a public consultation indicates a promising shift towards enhancing consumer safety measures. Overall, the assessment indicates that the GCC countries are steadfastly dedicated to ensuring consumer physical safety; however, significant improvement actions are needed in Saudi Arabia and Oman to fill legislative gaps and match with international standards of physical safety regulations.

2. Protection of consumers’ economic interests

As seen in figure 5, results for GCC countries match international standards. The United Arab Emirates’ robust legal framework, articulated in the new Law (15/2020), provides comprehensive consumer protection measures. These include stringent data protection, careful monitoring of pricing structures, and mechanisms to address consumer complaints effectively. A significant aspect of this law is its encompassing nature, covering all commodities, services, and transactions, including those in free zones and e-commerce activities.

Bahrain, Qatar, and Kuwait focus on accurate information dissemination, quality assurance, and a safe, healthy consumer environment. Both Bahrain and Qatar employ similar methods to safeguard consumer interests, such as legislating supplier duties and establishing monitoring systems for law enforcement. Kuwait’s Law No. 39/2014 further extends the scope of consumer rights, providing clear directives for suppliers and enforcing punitive measures for infringements. Oman maintains a comprehensive legal framework in Chapters II and III of the Consumer Protection Law No. 66/2014, detailing consumer rights and supplier duties. Moreover, it prohibits monopolistic trading practices, ensuring a fair market.

3. Measures enabling consumers to obtain redress

The measures enabling consumers to obtain redress in the GCC subregion have a “Developed” score. The new consumer protection law in the United Arab Emirates showcases rigorous consumer redress provisions, permitting local consumer protection organizations to initiate and present complaints. Moreover, consumers can file a complaint for reimbursement in damage cases, with limited redress exemption. Measures in the United Arab Emirates are classified as “Strong”.

Bahrain, Kuwait, and Qatar are classified as “Very strong”, matching international standards and exhibiting comprehensive measures for enabling consumers to obtain redress. Suppliers in these countries are legally obliged to address product defects or provide refunds, and consumers are empowered to lodge complaints against any infringements. The formation of independent civil organizations to safeguard consumer rights is also promoted in their legislation. Also, provisions allowing the

Box 1. Reinforcing consumer rights: Oman's Unified Contracts Initiative

Oman's Consumer Protection Authority (CPA) launched the Unified Contracts Initiative in 2023, a significant move towards strengthening consumer rights and transparency in trading practices. Spearheaded by the Directorate General of Studies and Development, the initiative focuses on various sectors, including aluminum workshops, commercial kitchens, and retailers of electrical and electronic goods. The implementation process follows a two-stage model; drafting, reviewing, and approving contracts marks the first stage, followed by their application to relevant commercial entities in the second stage.

This initiative emphasizes educating both consumers and suppliers about their rights during and after sale transactions. It aims to fortify consumer security, counter commercial fraud, and curb harmful practices. By addressing consumer issues proactively, the CPA aims to reduce complaints and elevate consumer satisfaction. The initiative also aims to refine the quality of consumer awareness programmes offered by CPA, with annual reviews to ensure effectiveness and rectify challenges during its course. Furthermore, this initiative is expected to promote a healthy business environment in Oman, especially within the retail and service sectors, by enforcing regulations and eliminating detrimental practices. By enhancing awareness about CPA regulations, the initiative aims to prevent potential violations by retailers and mall owners

establishment of dispute resolution committees are adopted in GCC countries. Although classified as "Developed", Oman has reasonable provisions. According to Oman's Executive Regulation No. 77/2017, suppliers must accept product returns and provide refunds or pay equivalent damage costs. Consumers can file complaints, and suppliers must rectify the infringement within 30 days. In cases requiring technical expertise, authorities can commission a technical expert to conduct investigations. Furthermore, a systematized sanction regime imposes fines for breaches, enhancing the deterrence against consumer rights infringements. The efforts taken by these GCC countries to secure consumer rights to redress demonstrate a firm commitment to advancing a solid consumer protection framework.

4. Promotion of sustainable consumption

Promoting sustainable consumption within the GCC countries has seen some progress, elevating the overall classification of the subregion from "Weak" to "Moderate". The approaches adopted, however, vary significantly among the member states. Countries like the United Arab Emirates have taken substantial steps forward, embracing the Green Agenda 2030 and launching economic policy that promotes environmental health and encourages sustainable production. The consumer protection law in the United Arab Emirates further reinforces these objectives, facilitating proper consumption practices. Moreover, through initiatives such as deregulating fuel prices, the country aims to conserve national resources and reduce environmental impact.

In contrast, Qatar, Kuwait, Oman and Bahrain emphasize sustainable consumption more through strategic endeavors than concrete legislation. Qatar fosters a culture of rational consumption and invests in eco-friendly solutions, including green buildings and solar energy. Kuwait, too, prioritizes the Sustainable Development Goals (SDGs) through its Strategic Cooperation Framework (SCF) 2020–2025, and the Environment Protection Law encourages the responsible use of natural resources.

Oman, however, lacks specific laws directed towards sustainable consumption, although it has an environmental protection law in place. Although limited, Bahrain's legislation recognizes consumer rights to a healthy environment, and the national Vision 2030 advocates for reduced waste and a diversified economy. Saudi Arabia does not have any legislations promoting sustainable consumption.

5. E-commerce and consumer protection

E-commerce and consumer protection in the GCC countries have an overall classification of "Developed". These countries use different approaches to legislations pertaining to this critical aspect of the modern digital economy. The United Arab Emirates has recently updated its legislation in 2020 to reflect the growing importance of e-commerce. The new law extensively covers e-commerce activities, ensuring the protection of the personal data of consumers, setting out disclosure requirements for online

businesses, and applying consumer rights provisions and sanctions to e-commerce transactions.

In contrast, even though Bahrain is working on developing a dedicated e-commerce law, its consumer protection law only provides a few provisions addressing e-commerce in the context of digital consumer transactions.

However, several other laws cover certain aspects of e-commerce, such as personal data protection, electronic communications, and information technology crimes. Law No. 16 of 2010 in Qatar covers electronic transactions and commerce, and provides significant protection to consumers engaging in online transactions.

Although Kuwait lacks a specific e-commerce section within its consumer protection law, it incorporates some provisions addressing online business activities within its Executive Regulation (No. 27/2015). Oman offers relatively limited legislative provisions specifically addressing e-commerce. Saudi Arabia is classified as strong since it has promulgated via Royal Decree No. M/126 (Cabinet Decision No. 628/1440) an E-commerce law. The objective of the law is to increase confidence in e-commerce transactions, provide consumers with the necessary protection against fraud and misinformation, enhance and develop e-commerce activities in Saudi Arabia, and have extra-territorial reach.

C. Middle-income countries

Legislations enacted across MICs have particularly focused on areas such as the conditions of food products in the

market, enabling consumers to obtain redress, and the establishment of solid sanction regimes for deterrence.

Figure 6. The overall score of MICs across the five components of the consumer protection assessment



Source: ESCWA assessment 2023.

Table 1. Consumer protection laws across Arab MICs

Country	Consumer protection law
Jordan	Law No 7/2017
Lebanon	Law No 659/2005
Egypt	Law No 181/2018
Algeria	Law No. 03/09
Tunisia	Law No. 92-117/1992
Morocco	Law No. 31/2008

These laws also ensure good health, safety, and quality of goods and services, preserving consumer rights and ensuring transparency of economic transactions.

Few Arab MICs have made efforts to update their consumer protection frameworks through amendments to existing laws or the development of new laws. The current laws only touch on the burgeoning area of e-commerce and stipulate duties for suppliers, professionals, and advertisers in the digital marketplace. In some instances, measures to strengthen cooperation in consumer protection have been taken, including signing memorandums of understanding with other countries. The consumer protection legislative framework across these countries renders a score of “Developed”. This score signals that while their efforts are relatively effective, there remains room for growth to meet international standards fully.

1. Physical safety regulations

The MICs in the Arab region have displayed a resolute commitment to physical safety provisions, with an average “Strong” classification. This classification is evident in comprehensive consumer protection laws that detail the responsibilities of suppliers and service providers to adhere to high safety standards. These laws enforce obligations on suppliers to provide thorough instructions for safe product usage and to disclose any risks associated with their products. Simultaneously, they establish robust consumer rights and protections, including mechanisms for redress and expectations for the quality and safety of goods and services.

These countries complement their legal framework with regulatory bodies such as consumer protection authorities

and standards institutions to oversee enforcement. A vital characteristic of these laws is the absence of exemptions, underscoring their comprehensive commitment to consumer safety. A balancing act between supplier and consumer responsibilities is maintained. For instance, in Lebanon, the law shields suppliers from liability if consumers intentionally ignore the provided instructions. Lebanon also strengthens its enforcement regime with measures such as specialized consumer protection courts, investigative teams, and collaborations with other administrative bodies.

However, there are areas requiring attention and enhancement. While the country allows for the establishment of a national federation for consumer protection, its laws heavily rely on broader consumer protection goals. The results indicate that, despite the steadfast commitment to consumer safety, indicated by the “Strong” score for physical safety regulations as illustrated in figure 6, a continuous refinement process is necessary.

2. Protection of consumer economic interests

Protection of consumer economic interests has a score of “Very strong” in the MICs, in both 2020 and 2023 results. The laws in the MICs effectively ensure consumer rights, such as access to clear and accurate product information, transparent pricing, and assurance of compensation in case of harm due to product usage. For instance, in Lebanon’s consumer protection law, Article 3 secures several rights for consumers, including obtaining precise product and price information, receiving receipts after purchases, and entitlement to compensation production case of damage. Likewise, in Jordan, Article 5 of the consumer protection

law mandates suppliers to offer after-sale services within a time frame specified by the Minister of Industry, Trade and Supply. Also, Article 21 abolishes any contract or clause that hampers consumer protection or absolves providers of their responsibilities.

These laws also clearly define supplier duties and ensure robust enforcement. They oblige suppliers to provide accurate product information, offer after-sale services within set time frames, guarantee product quality, and disclose any potential risks associated with product use. In Algeria, for example, the law requires suppliers to provide comprehensive product-related details such as prices, ingredients, and operation instructions. In terms of enforcement, provisions for dispute resolution include special appeal courts and mandatory mediation for minor disputes. In Egypt, the consumer protection authority can compel suppliers to rectify infringements and suspend the sale of a product or service if it is detrimental to consumer interests. With sanctions ranging from financial penalties to potential imprisonment, these regulations emphasize the commitment of MICs to protecting consumer economic interests.

3. Measures enabling consumers to obtain redress

The collective score for Arab MICs is “Strong” concerning measures enabling consumers to obtain redress. This score highlights a significant achievement in the development of disputes resolution mechanisms and legislative frameworks aligned with international best practices. For example, laws in Lebanon and Jordan explicitly guarantee consumers the right to revoke contracts and obtain refunds in cases of defective goods or services.

Algeria, Egypt, and Lebanon stand out with “Very strong” classifications, aligning with international guidelines. In Algeria, suppliers are obliged to provide warranties for their products, with the law ensuring the substitution, refund, or repair of defective goods within the warranty period. Egypt’s law requires suppliers to notify the authority about product defects that could potentially harm consumers, further strengthening their redress measures.

However, despite the generally strong performance, disparities among the MICs are evident. For instance, Morocco has a “Basic” classification. Moroccan law

requires suppliers to provide conventional warranties and after-sales services. Furthermore, Tunisia has established legal parameters for consumer protection organizations under Decree No. 88 of 2011, which can play an essential role in promoting consumer redress. Yet, there remains a need for more effective mechanisms to fully realize the potential of such organizations in ensuring better consumer redress.

4. Promotion of sustainable consumption

MICs in the Arab region have varying levels of commitment to promoting sustainable consumption. Their 2023 overall performance is “Moderate”, indicating that these efforts and initiatives need further improvements. Tunisia and Morocco have made considerable steps in this area. Through its Constitution and Environment Law No. 41/1996, Tunisia guarantees the right to a healthy and balanced environment. Furthermore, both countries have enacted laws promoting renewable energy use and the implementation of a sustainable consumption and production national action plan. Likewise, Morocco has shown commendable efforts in promoting sustainable consumption with its Framework Law No. 12.99, which serves as a national charter for environmental protection and sustainable development.

However, not all MICs in the Arab region are on the same level. The score for Algeria and Egypt, for instance, is “Basic”, reflecting that their efforts towards sustainable consumption are still nascent. While both countries have established national action plans for sustainable consumption and production, their approaches lack comprehensive enforcement mechanisms and specific measures. Lebanon and Jordan have included sustainable consumption within their consumer protection laws, assigning bodies the responsibility of encouraging sustainable consumption patterns. However, the limited legislative scope in these countries underlines the need for broader, more encompassing measures. Therefore, while these countries have started to recognize the importance of sustainable consumption, there is still room for significant enhancement in their approaches. A more robust set of initiatives and vigorous enforcement can be crucial in promoting sustainable consumption in these MICs.

Box 2. Navigating sustainable consumption through policy: the Swedish experience

Sweden's achievement in sustainable consumption is intrinsically tied to the cultural value of "lagom", a Swedish concept denoting a sense of moderation and balance. This principle permeates Swedish society and engenders a judicious approach to using goods, energy and natural resources. This cultural ethos, coupled with strategic legislative action, bore fruit in Sweden's remarkable recycling rate of 99 per cent of its domestically produced waste in 2019. This reflects a significant growth trajectory from a mere 38 per cent in 1975, exemplifies the synergistic effects of societal commitment to ecological preservation and forward-thinking waste management policy frameworks.

Moreover, the Swedish government's commitment to fostering sustainable behavior is particularly evident in its policy development relating to the consumption and transportation sectors. Legislation, such as the 'Circular Monday' initiative, promotes the second-hand market, encouraging reuse over superfluous consumption, consequently extending the lifecycle of goods. In parallel, Stockholm offers a sustainable urban transportation model with a highly efficient public transit system that reduces reliance on private vehicular travel. Such measures contribute to Sweden's ambitious objective of achieving a fossil-free domestic transport sector by 2030, a testament to the robust implementation of sustainability-oriented policies.

The Swedish legislature's policy intervention also extends to encouraging the culture of repair and reuse. A prime example is the VAT reduction on repair services from 25 per cent to 12 per cent, implemented in 2017. This legislative move not only renders the repair and maintenance of possessions more financially accessible but also tangibly supports the ethos of "fix it, don't discard it". Concurrently, introducing "climate labeling" for food products underscores the commitment to consumer transparency and autonomy in making environmentally sound choices. Complementing these legislative efforts, the Swedish education sector incorporates sustainability education early in students' learning journey, nurturing informed citizens adept in recycling, energy efficiency, and environmental stewardship.

5. E-commerce and consumer protection

Levels of preparedness and regulation regarding e-commerce and consumer protection vary in Arab MICs. Egypt, Morocco and Tunisia have a score of "Very strong" in this area. For example, Egypt's consumer protection law requires suppliers to provide consumers with clear and explicit information before concluding a contract, including product data, full price, guarantees, after-sale services, and contract recourse provisions. Likewise, Morocco's consumer protection law encompasses various protections for online transactions, including accurate data/information provision, price clarity, and product specifications. Tunisia's Law No. 83 of 2000, relating to exchanges and electronic commerce, offers comprehensive consumer protections in e-commerce transactions. It stipulates clear seller instructions regarding contract transparency and

provides consumers with a 10-day purchase cancellation policy. Tunisia also has regulations to protect consumer data privacy (Law No. 63/2004).

Algeria and Jordan have a "Moderate" score. Algeria's E-commerce Law No. 18-04 of 2018 focuses on competitive compliance and outlines obligations for both suppliers and consumers. Jordan's consumer protection law is enforceable on online transactions, providing guarantees for consumer rights and outlining sanctions for misinformation. Yet, these regulations require further development. Despite having extensive consumer protection provisions for online purchases under its consumer protection law, Lebanon has been classified as "Developed", indicating a need for additional measures. Therefore, while there is a clear commitment to regulating e-commerce and protecting consumers across MICs, there are marked differences in their approaches and the extent of protections offered.

Box 3. Fostering cross-national collaboration for enhanced consumer protection: a Kuwait-Lebanon case study under ESCWA's facilitation

ESCWA plays a pivotal role as a platform for promoting cooperation and knowledge exchange among countries in the Arab region. Strategically pairing nations with complementary strengths facilitates sharing expertise in crucial areas like sustainable infrastructure and technological innovation. This mechanism of mutual learning orchestrated by ESCWA reinforces regional unity and collective progress, thereby assisting each member State in realizing its unique developmental goals.

A tangible example of such collaboration is the two-day mission of a delegation from Kuwait's Ministry of Commerce and Industry to Lebanon, held on 1-2 June 2023. The objective was to enhance Lebanon's consumer protection framework. The delegates engaged in productive meetings with the ESCWA team, Lebanon's Ministry of Economy and Trade, and the Chamber of Commerce and Industry. They discussed Lebanon's current challenges and identified areas where Kuwait could offer support to enhance consumer protection. The Kuwaiti representatives also shared their domestic regulatory frameworks and case studies for the protection of consumer rights.

Following these exchanges, a proposal was made to establish a bi-monthly support programme from August 2023, with the involvement of other Gulf countries interested in supporting consumer protection in Lebanon. The proposed initiative seeks to improve the skills, capacities, and capabilities of consumer protection personnel in Lebanon, particularly concerning food safety, prices and quality monitoring. Moreover, plans are underway for organizing awareness workshops with private sector entities to educate them about obligations and responsibilities relating to consumer protection.

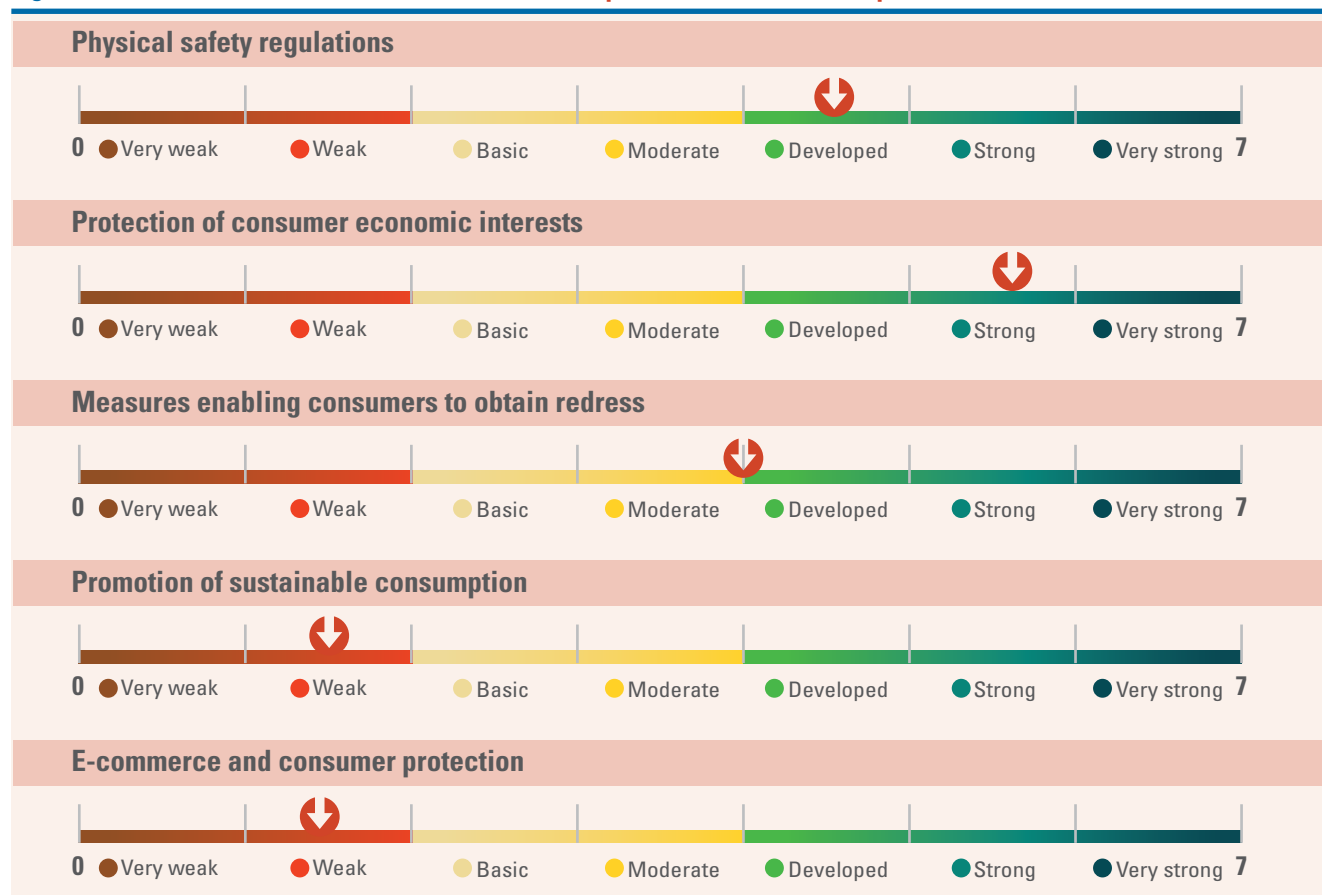
D. Conflict-affected countries

Each CAC has faced significant challenges in maintaining robust consumer protection mechanisms amidst periods of severe instability. Despite these circumstances, four of the five CACs have adopted dedicated consumer protection laws. However, the overall effectiveness of these laws is subject to factors such as the severity of ongoing conflicts, governance structures, and resources available for enforcement.

The general overall consumer protection situation in the CACs is categorized as "Moderate", indicating some

framework in place but leaving room for substantial improvements. As indicated in table 2, all Arab CACs except Libya have dedicated consumer protection laws, each emphasizing various aspects such as consumer and supplier rights and duties, redress mechanisms, and sanctions for infringement. For instance, Iraq's Law No. 1/2010 and Yemen's Law No. 46/2008 both focus on market control and consumer rights. Consumer Protection Law No. 8/2021, in the Syrian Arab Republic emphasizes food safety, monopoly prevention, and trader controls.



Figure 7. The overall score of CACs across the five components of the consumer protection assessment

Source: ESCWA assessment 2023.

Table 2. Consumer protection Laws across Arab CACs

Country	Consumer protection law
Iraq	Law No. 1/2010
Libya	No separate law, provisions are stated in Law No. 23/2010 of the Commercial Code (Articles 1308 to 1327)
State of Palestine	Law No. 21/2005 , amended by Law No. 27/2018
Syrian Arab Republic	Law No. 8/2021
Yemen	Law No. 46/2008

Law No. 21/2005 of the State of Palestine focuses on food supply conditions and consumer well-being measures. In Libya, safety provisions are incorporated into the Commercial Code, yet the absence of a separate, comprehensive consumer protection law could potentially leave certain consumer areas unprotected. Although the situation is complex and marked by numerous challenges, these efforts suggest a commitment to consumer protection that, if nurtured, can lead to substantial improvements in the future.

1. Physical safety regulations

The level of development and enforcement of physical safety regulations varies across Arab CACs. With the newly enacted law, the Syrian Arab Republic has a “Strong” classification. Iraq’s consumer protection law needs specific provisions relating to physical safety, as the lack of these provisions may create ambiguity and enforcement challenges. The State

of Palestine has a “Strong” classification as its legislation focuses on food safety, albeit potentially at the expense of non-food consumer goods protection.

Yemen’s consumer protection law underscores consumer health and the safety/quality of goods and services, but falls short of providing detailed provisions on physical safety regulations.

2. Protection of consumer Economic Interests

On average, these countries obtained a “Strong” classification in their legislation concerning the protection of consumer economic interests. Each of these countries showcases unique legislative strategies to protect consumer interests. Iraq, for instance, has fulfilled extensive consumer rights under Article 6 of the consumer protection law, ranging from acquiring products and services without harm to their interests to seeking compensation for damages. A comprehensive set of supplier duties coupled with active enforcement mechanisms further strengthen their legislative framework. Likewise, the new Syrian law guarantees rights such as accurate product information, freedom of choice, and the right to redress without incurring expenses. Although enforcement mechanisms are well-detailed, exemptions granted under certain conditions could potentially restrict consumer rights to redress.

Libya, Yemen, and the State of Palestine adopt distinct strategies to protect consumer economic interests. Libya’s Commercial Code safeguards consumer rights, including accurate product information, the ability to return goods, and protection against fraud while relying on judiciary police for enforcement. Yemen’s consumer protection law protects similar rights for consumers. Also, the State of Palestine extensively lists the rights of consumers and duties of suppliers.

3. Measures enabling consumers to obtain redress

The measures enabling consumers to obtain redress in the Arab CACs have a “Developed” score, with notable progress from the “Moderate” rating in 2020. The Iraqi law contains measures for consumers to receive warranties and after-sale services, as stated in Article 6. However, the absence of substitution and refund rights may limit the redress avenues

available for consumers. Libya, under Article 1319, mandates suppliers to inform consumers about their rights to reverse purchase decisions and guarantee reparations, substitutions, or refunds in the case of defective products, which could enhance consumer trust and confidence in the marketplace.

Although the law in the Syrian Arab Republic includes provisions for product replacement, it constrains redress options through certain exemptions (Article 4(1)). The restriction to replace products only once may significantly limit the level of consumer protection. However, the establishment of consumer defense organizations, as suggested in Articles 68 to 72, could play a pivotal role in protecting consumers, raising their awareness, and processing their complaints. In contrast, Yemen exhibits a “Weak” position in this regard, though it does stipulate supplier guarantees for product quality, after-sale services, refunds, or substitutions.

The State of Palestine has a “Very strong” classification, granting extensive rights for consumers to obtain redress and the ability to raise complaints regarding infringements.

4. Promotion of sustainable consumption

Arab CACs, namely Yemen, Iraq, and Libya, generally exhibit a weak approach toward the promotion of sustainable consumption within their legislation. Their existing laws neglect sustainability aspects, although Iraq includes some related provisions within its environmental protection law. In contrast, the State of Palestine follows an encouraging model, having incorporated environmentally focused provisions into its consumer protection law and promoting sustainable consumption through educational initiatives. As such, it earns a “Moderate” rating in terms of sustainability promotion. The State of Palestine amplifies its commitment to sustainable consumption by advocating educational programmes encouraging environmentally friendly consumption habits.

5. E-commerce and consumer protection

The Arab region’s conflict-affected countries (CACs) face substantial challenges when it comes to consumer protection in the e-commerce domain. Impediments such as limited internet connectivity, socio-economic constraints, and the

relative novelty of the field contribute to a lack of progress. Despite the global digital transaction boom, these nations generally display weak standards for consumer protection within the e-commerce sector. Yemen and the State of Palestine are deemed “Very weak”, Iraq, the Syrian Arab republic, and Libya are considered “Weak”. Most of these countries’ consumer protection laws lack provisions explicitly addressing consumer digital transactions. Libya’s law includes a single provision on electronic purchase contracts

and the Syrian law indirectly implies the application of consumer rights to online transactions, Iraqi and Palestinian regulations have nothing on this issue. Yemen presents a slightly more progressive perspective, extending its regulations to cover digital transactions. However, the overall insufficiency of e-commerce regulation signals a significant gap in the consumer protection landscape within CACs, highlighting the urgent need to develop and reinforce robust e-commerce provisions in this digital age.

E. Least developed countries

Navigating the complexities of market dynamics in the LDCs brings to light the critical necessity of solid consumer protection frameworks. There is a positive shift from a “Very weak” rating in 2020 to a “Weak” in 2023, signaling some improvement.

Mauritania’s recent enactment of its first-ever consumer protection law is a significant milestone in this area. By introducing this legislation, Mauritania has demonstrated a forward-thinking approach to market regulation, particularly by emphasizing food safety and providing effective redress for consumers.

Figure 8. The overall score of LDCs across the five components of the consumer protection assessment



Source: ESCWA assessment 2023.

Table 3. Consumer protection laws across Arab LDCs

Country	Consumer protection law
Mauritania	Consumer Protection Law (No. 007/2020)
Sudan	Competition Law (No. 7/2009) - Some provisions
Comoros	Law N°95- 013/A/F (Code of public health and social action for the well-being of the population) - Some provisions
Djibouti	Competition Law No. 28/AN/08/6th L - Some provisions
Somalia	No specific Consumer Protection Law or provisions

However, there is still much ground to cover in this sub-region. A glaring instance is Somalia, where the absence of a consumer protection law presents a substantial gap for guaranteeing consumer rights. Other countries, including the Comoros, the Sudan, and Djibouti, have incorporated provisions for consumer protection within their larger legal framework. For example, the Comoros has integrated protective measures into its public health law, while the Sudan and Djibouti have introduced consumer protection provisions into their competition laws.

While these measures are steps in the right direction, the need for standalone, dedicated consumer protection laws underscores the importance of continued legislative advancements. Reinforcing consumer protection in LDCs is more than just a protective measure; it's a strategic move toward sustainable development and economic prosperity.

1. Physical safety regulations

ESCWA's 2023 assessments indicates that the score for consumer protection legislation focusing on physical safety within LDCs is "Basic". There is considerable variability in measures for consumer physical safety provisions across these nations, exposing critical gaps that require immediate attention. While Mauritania has taken commendable steps forward with a consumer protection law that emphasizes consumer health protection and lays out clear safety standards and penalties for violations, other countries lag behind.

A notable disparity exists within the region, with countries like the Sudan and Somalia yet to integrate these crucial safety regulations into their legal frameworks, creating a significant deficiency in their consumer protection

initiatives. Similarly, the Comoros, despite having some provisions in place, needs to establish a comprehensive consumer safety framework. Djibouti's competition law takes a stronger stance, mandating product conformity and prohibiting deceptive product descriptions. However, the lack of unified safety norms and their inconsistent application underscores the urgent need for a coordinated approach to physical safety provisions in line with international standards across the Arab LDCs.

2. Protection of consumer economic interests

Arab LDCs have an average score of "Basic" in terms of this component. Mauritania stands out with a "Strong" rating, a reflection of its comprehensive legislative framework. This rating is partly due to notable provisions like Article 2, which defines consumers and establishes the information process, and articles 70 and 72, which give consumer protection organizations significant power to assist consumers in legal matters and asserting their rights.

The Sudan has a "Moderate" rating, and relies primarily on specific provisions in its competition laws to safeguard consumer rights and economic interests. This reliance suggests an evident need for more comprehensive and independent consumer protection legislation. Likewise, Djibouti, also categorized as "Moderate", follows a more structured approach through its competition law, which explicitly outlines supplier duties, forbids misleading information, protects consumer choice, and puts in place robust enforcement mechanisms. Nonetheless, the "Moderate" rating suggests that gaps still exist in providing comprehensive protection to consumer economic interests. These shortfalls across the LDCs underline the urgency of enhanced dedication to advancing consumer protection legislation.



3. Measures enabling consumers to obtain redress

Arab LDCs have an overall score of “Weak” in terms of the measures enabling consumers to obtain redress, underscoring the pressing need for legislative development and enforcement in this area. Exceptionally, Mauritania has made significant strides in this regard and is currently deemed “Developed”. The country’s Consumer Protection Law, through articles 75 to 88, sets forth punitive sanctions as a deterrent to consumer rights infringements. Chapter 9 of the law also empowers consumer protection organizations to operate, advocate for consumers, and assist them in obtaining redress.

Djibouti, classified as “Moderate”, enforces suppliers’ obligation to guarantee commercial products, provide after-sale services, and ensure the availability of spare parts, as per Article 46 of their law. It also gives consumers the right to refunds or product substitution, with Article 65 prescribing sanctions for suppliers refusing these rights. Despite these commendable strides, the moderate rating shows that further work is needed for a comprehensive redress system. The Comoros, in contrast, primarily relies on sanctions, including fines and imprisonment, to enforce safety and well-being provisions. However, it seems to lack a broader, explicit framework enabling consumers to obtain redress, emphasizing the necessity for improved and robust consumer protection laws, regulations, and dispute resolution mechanisms.

4. Promotion of sustainable consumption

Despite the rising global focus on sustainability, Arab LDCs exhibit a stark deficiency, as evidenced by their “Very

weak” rating in the promotion of sustainable consumption. This score reflects a prevailing absence of legal measures and policies encouraging eco-friendly consumer choices and suggests a pressing need for strategic commitment toward environmental stewardship. In countries like Mauritania and the Comoros, the void is more pronounced as there are neither legislative provisions nor government policies promoting sustainable consumption.

Djibouti stands as an exception, albeit classified as “Basic” in this regard. The country has taken initial yet important steps toward enhancing an environment-conscious culture through its environmental law. This law encompasses strategies for environmental protection, along with the implementation of standards for environmental quality and pollution control. Moreover, it acknowledges the role of education in sustainability, necessitating the initiation of educational programmes for citizens, along with capacity-building activities in both the public and private sectors. While these efforts are praiseworthy, the rating indicates a long road for Djibouti to reinforce and broaden its commitment to promoting sustainable consumption.

5. E-commerce and consumer protection

This component is markedly underdeveloped in Arab LDCs, which are classified as “Very weak”. This notably insufficient attention to the digital realm of commerce in these nations has resulted in the absence of legislative measures and governmental policies, which is crucial for consumer protection in the increasingly prevalent online marketplace.

None of the Arab LDCs has specific provisions in their laws addressing transactions conducted via digital platforms. Moreover, no tangible governmental policies

are in place that address e-commerce and safeguard consumers participating in online business activities. This void underscores the urgent need for these countries to consider the unique risks and challenges of e-commerce

in their consumer protection legislative frameworks. Such measures are critical for ensuring fair business practices, building trust in online transactions, and ultimately stimulating economic growth in the digital age.

Box 4. Embracing data privacy: An overview of the European Union's General Data Protection Regulation

The European Union's General Data Protection Regulation (GDPR), implemented in 2018, is a landmark law that has transformed data privacy regulations worldwide. The GDPR is characterized by provisions that enhance individual rights concerning personal data, including the right to be informed about data use, to access and rectify data, and to request erasure, among others. Key to its enforcement is the requirement for explicit, informed consent for data processing and the imposition of stringent reporting guidelines in case of data breaches. This regulation goes beyond the EU, affecting all entities globally that handle EU citizens' data, hence uplifting global data protection standards.

The GDPR's effectiveness lies in its robust institutional framework, primarily the European Data Protection Board (EDPB). Comprising representatives from each EU member state's data protection authority, the EDPB ensures consistent application of data protection rules across the Union and fosters cooperation between the EU's data protection authorities. The GDPR's implementation has led to improved data handling practices worldwide, making it a remarkable success story in data privacy regulation. Despite challenges, including the cost of compliance and enforcement issues, the GDPR has set a precedent for jurisdictions worldwide to enhance their data protection laws, further attesting to its global impact.

Conclusion

Due to the tremendous differences between Arab countries and subregions in terms of economic development and national landscapes, policy recommendations in this section

are going to be addressed according to the main four country subcategories in order to provide more granular and specific guidance.

GCC countries

The establishment of comprehensive consumer protection bodies, like those being explored in Oman and Qatar, could be the cornerstone of robust consumer protection in the GCC countries. These authorities should be vested with the power to conduct thorough investigations, study market trends, issue appropriate fines, and develop and implement proactive consumer protection policies. The approach used by the United Arab Emirates could serve as a model, particularly when it comes to integrating sustainable consumption and e-commerce practices.

It is highly recommended to reinforce closer cooperation between consumer protection committees and other administrative entities, such as competition authorities. The current mechanism in Bahrain offers an example. This integrated approach could enhance policy effectiveness and benefit consumers by enabling a more holistic view of market conditions and consumer rights. Furthermore, GCC countries should prioritize sustainable consumption practices by integrating clear policies and provisions that promote such practices within consumer protection laws.

According to UNCTAD recommendations ([TD/B/C.I./CPLP/17](#)), GCC countries should further strengthen their emphasis on consumer information and education, environmental claims, and enforce regulations against greenwashing practices. Furthermore, GCC countries are advised focus on specific sectors such as food loss and waste, recycling, circular economy practices, product lifetime extension, eco-labeling, biodiversity communication, and the management of plastics and packaging.

A robust legislative framework that includes clear definitions of unsafe products purchased online could enhance consumer protection in the digital marketplace. Moreover, amplifying international coordination and agreements with other consumer protection bodies, like that envisioned for Kuwait, is essential for improving consumer protection standards across GCC countries. For Saudi Arabia, priority should be given to the immediate enactment of the draft consumer protection law.

Middle-income countries

The individual country analyses for the MICs suggest a range of recommendations that can strengthen consumer protection mechanisms across these nations, including stronger cooperation between consumer protection committees and other administrative bodies, adopting sustainable consumption practices, and expanding e-commerce regulations.

The formation of consumer protection authorities/committees, as suggested for Morocco and Lebanon, could form the backbone of improved consumer protection. These bodies should be empowered to monitor market practices,

coordinate with administrative bodies like the competition and customs authorities, conduct market studies, and administer sanctions where necessary, mirroring the proposed enhancement of Algeria's National Consumer Protection Council. Such authorities would be instrumental in proactively addressing harmful market practices, upholding consumer rights, and maintaining a balanced and just marketplace.

Physical safety provisions are essential in any comprehensive consumer protection strategy. As

indicated for Morocco and Egypt, these rules are of utmost importance in ensuring that consumers are safe from harmful products. The laws must explicitly detail what constitutes unsafe goods, particularly those procured online, and the ramifications for entities selling such items, which would deter unethical practices and enhance consumer confidence in the market.

Further, reinforcing cooperation between consumer protection committees and other administrative authorities is highly recommended, especially in countries like Tunisia, Jordan, and Lebanon. This integrated approach will enhance policy effectiveness and benefit consumers by fostering a more comprehensive understanding of market conditions and consumer rights.

Promoting sustainable practices can be achieved by incorporating policies and legal provisions within consumer protection laws that encourage such practices, including consumer activities, manufacturer duties, and a specific sanction regime. Lebanon, in particular, should look at reinforcing its sanctions regime for greater deterrence.

According to UNCTAD recommendations ([TD/B/C.I./CPLP/17](#)), MICs should further strengthen their emphasis on consumer information and education, environmental claims, and enforce regulations against greenwashing practices. Furthermore, MICs are advised to focus on specific sectors such as food loss and waste, recycling, circular economy practices, product lifetime extension, eco-labeling, biodiversity communication, and the management of plastics and packaging.

Algeria, Jordan, and Lebanon should focus on expanding e-commerce regulations in their consumer protection laws and related enforcing mechanisms. These rules should encompass clear information provisions, physical safety provisions, and data privacy protections. A particular emphasis on data privacy is recommended for Egypt, reflecting the critical role of privacy in digital transactions.

Finally, it is strongly recommended for all MICs to strengthen coordination and agreements with other consumer protection bodies. This step is essential for improving consumer protection standards, sharing best practices, and addressing shared challenges.

Conflict-affected countries

Drawing upon unique regional challenges and shared commonalities, CACs need to prioritize the enhancement of the role of judicial courts in consumer protection as well as the creation of alternative disputes resolution mechanisms, considering their paramount importance in legal enforcement. In countries like Yemen, for instance, this would involve augmenting the investigative capacity of the courts and refining their decision-making processes for clarity and transparency.

According to UNCTAD recommendations ([TD/B/C.I./CPLP/11](#)), CACs should further develop dispute resolution processes which include the following mechanisms: court actions, collective actions, public regulatory and enforcement actions, ombudspersons, alternative dispute resolution, online dispute resolution, and business customer care and complaint functions.

Moreover, enhancing cooperation between consumer protection councils and other regulatory bodies, such as competition authorities, could be instrumental in safeguarding consumer rights. This cross-agency collaboration could benefit CACs.

CACs should consider introducing legal provisions that promote sustainable consumer activities and impose responsibilities on manufacturers backed by a stringent sanction regime for non-compliance.

The digital market and e-commerce, while offering tremendous growth potential, also present unique challenges for consumer protection. These countries must develop and enforce strong e-commerce laws to protect consumers navigating digital transactions. This could involve enhancing regulations for refunds and replacements, as is the case with Iraq, or developing a comprehensive e-commerce legal framework, as proposed for the State of Palestine.

Furthermore, creating an independent and well-defined consumer protection authority could significantly improve the enforcement of consumer rights. Libya, for instance, needs a separate consumer protection regime and a dedicated authority, whereas the Syrian Arab Republic could benefit from a consumer protection body with investigative and sanctioning powers.

Last, consumer protection transcends borders. Establishing international coordination and entering into agreements with global consumer protection entities could harmonize

standards and provide a resilient safety net for consumers. This particular recommendation is universal and applies to all the CACs under consideration.

Least-developed countries

The critical importance of consumer protection is increasingly recognized worldwide as a pillar of sustainable development and effective market operation. However, in the context of the Arab LDCs, the overall assessment of consumer protection law remains “Weak”. This finding underscores the urgent need for significant enhancements to safeguard the rights and interests of consumers within these economies. Strengthening consumer protection is critical to ensuring fair treatment for consumers but also plays a crucial role in building trust, encouraging sustainable consumption, and contributing to market stability and economic growth. A set of key measures are recommended to advance consumer protection across the Arab LDCs.

Adopting comprehensive consumer protection laws is fundamental to enhancing consumer rights and protections. Countries like Djibouti, the Comoros, the Sudan, and Somalia must invest concerted efforts in developing legislative frameworks that thoroughly address consumer safety, economic interests, effective redress mechanisms, and sanction regimes. A well-drafted and comprehensive consumer protection law can provide a sturdy legislative foundation for consumer protection, ensuring that consumers are appropriately safeguarded and any contraventions are dealt with promptly and effectively.

Alongside strengthening the legal infrastructure, establishing administrative consumer protection committees and allowing the establishment of independent organizations are vital. These committees, equipped with the necessary authority and resources, can play a pivotal role in monitoring market practices, conducting studies and investigations, issuing penalties for contraventions, assisting in settling disputes, and coordinating with other regulatory bodies. Countries like Djibouti and the Comoros should prioritize the establishment of such entities to fortify their consumer protection structures.

According to UNCTAD recommendations ([TD/B/C.I./CPLP/11](#)), LDCs should further develop dispute resolution processes which include the following mechanisms: court actions, collective actions, public regulatory and enforcement actions, ombudspersons, alternative dispute resolution, online dispute resolution, and business customer care and complaint functions.

Moreover, the rise of e-commerce poses new challenges and risks for consumers. Hence, the development and enactment of legal protections addressing the unique characteristics of e-commerce are critically needed. Arab LDCs must enhance their legislation to provide consumers with a secure and fair environment in the digital marketplace.

Sustainable consumption is another area requiring attention. Policies and laws promoting sustainable consumption practices should be adopted and enforced as they are increasingly important in light of global environmental challenges. Djibouti, Comoros, and Mauritania are among the countries that should intensify their efforts in this direction.

Strengthening international coordination with other consumer protection bodies can lead to shared learning and better enforcement. Such international cooperation would significantly benefit countries like Djibouti, Comoros, Mauritania, and Somalia. In the case of Somalia, a consumer protection law that meets the country’s specific needs and international standards would be a decisive step toward a robust consumer protection environment.

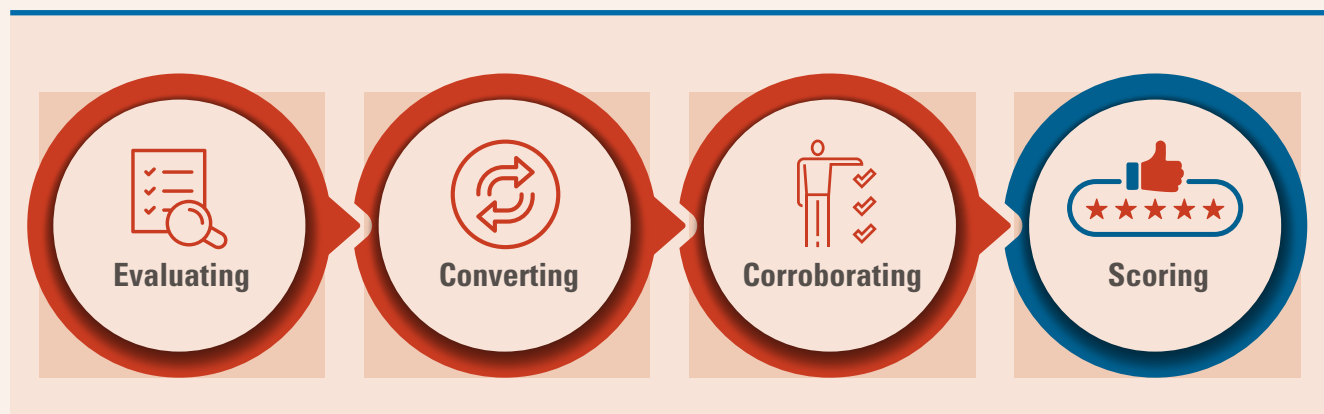
These recommendations propose a comprehensive strategy to substantially enhance consumer protection in the Arab LDCs, fostering a fair, secure, and sustainable marketplace for consumers and contributing to overall socio-economic development.

Annex. Methodology summary

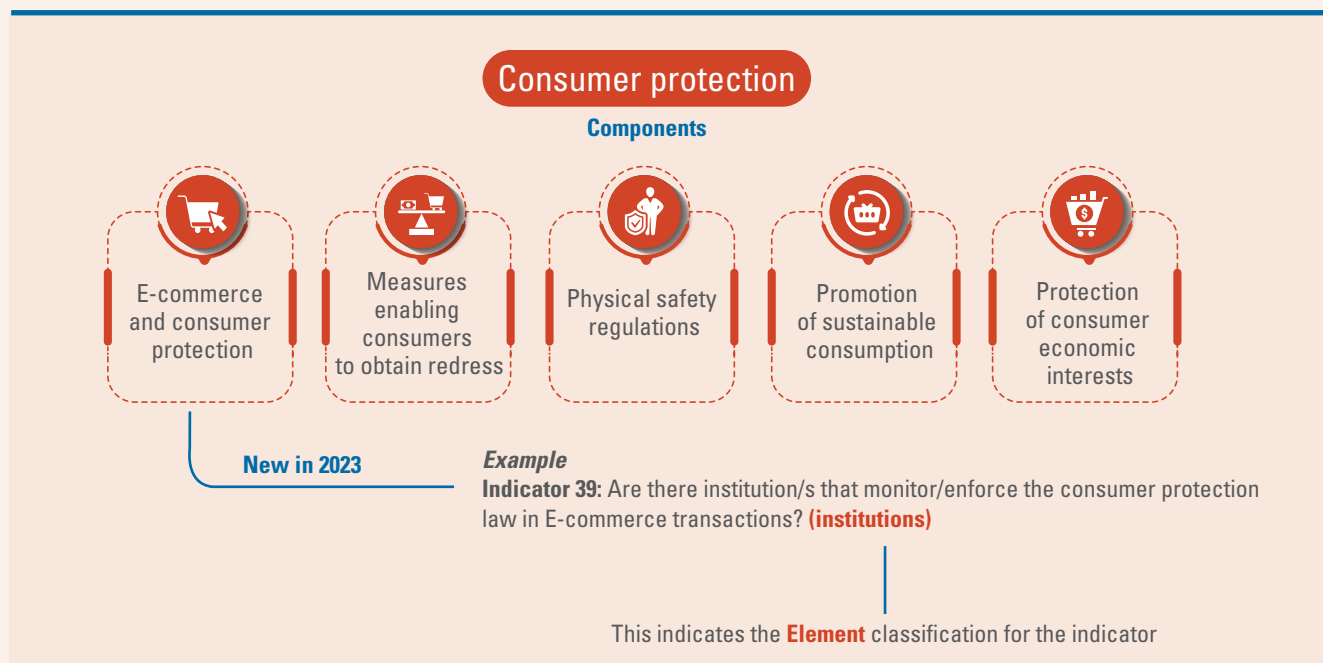
The methodology employed in the Arab Business Legislative Framework Report is designed to provide a rigorous, systematic, and comprehensive assessment of the business legislative environment in the Arab region. This approach focuses on the critical areas of study that contribute to developing a sustainable and competitive business landscape. The research team integrated a selection of international best practices into the methodology design to ensure that the assessment system produces informative, objective, and context-specific results that stakeholders can readily utilize. In the 2023 edition of the study, additional indicators have been incorporated to keep up with the evolving global best practices regarding the focus topics.

The research for the Arab Business Legislative Framework Report adheres to a structured four-phase approach to ensure a thorough and systematic analysis of the business legislative framework in the Arab region. This process involves the following stages:

1. Collate available information from relevant ministries, international development agencies and academic institutions for each topic and each country. In the course of this research, more than 600 documents related to the 22 Arab countries were compiled from publicly available sources.
2. Assemble a repository of key laws, regulations, circulars, ministerial decisions, and policies that serve as the basis for populating the repository.
3. Develop key indicators of the evaluation matrix, focusing on the main legislative components in accordance with international standards.
4. Filter, correlate, and verify the information through in-depth key informant interviews (KIIs) with each country's officials, administrators, and relevant stakeholders to gather contextual insights and validate the findings.



1. Evaluating



The ABLF assesses business legislation in member States across five areas: competition, foreign direct investment, anti-corruption, consumer protection and corporate law. As illustrated in the figure below, each topic is split into a set of 'Components.' For example, the "consumer protection" topic is made up of five components. A full explanation of each component is provided in the methodology document.

Every Component is made up of a set of indicators, against which the legislation is assessed. An indicator is a binary 'yes or no' question that reflects international best practices in that particular area of business legislation.

The methodology for assessing legislative frameworks is both structured and comprehensive, delving into seven pivotal elements. These elements offer a scaffold for evaluating various indicators under each principal component, ensuring an unwavering and inclusive approach across all areas. Each law and policy are evaluated through the filter of these elements, providing a comprehensive and systematic evaluation of each country's legislative landscape. To clarify, the seven elements we utilize are as follows:

Laws and decrees, definitions, institutions, international agreements, enforcement mechanisms, exemptions, accessibility/transparency.

2. Converting

The assessment scoring system is designed to evaluate a country's legislative framework on a scale ranging from 0 to 7, with the lowest score being 0 and the highest being 7. This comprehensive scoring system aims to highlight the strengths and weaknesses of a country's legislative framework in a structured manner.

The scoring process begins by assigning binary yes or no answers to individual indicators, each receiving a score of 1 for "Yes" and 0 for "No". These scores are then used to

calculate the main component and element scores. The main component and element scores are derived from the sum of their related indicators' scores, weighted over 7. These calculations provide a more comprehensive picture of the overall assessment score, which ranges between 0 and 7.

- Main component score

$$= \frac{(\text{Sum of indicator scores for main heading})}{(\text{Ideal sum for main heading})} \times 7$$

- Element score

$$= \frac{(\text{Sum of indicator scores for element})}{(\text{Ideal sum for main heading})} \times 7$$

The benchmark for the assessment is based on the ideal score, which assumes a positive answer for all the indicators, reflecting international best practices. This ideal score serves as a comparison point for assessed laws and legislative frameworks, helping identify improvement areas and providing recommendations for aligning the legislative framework with international standards.

The scoring system assumes that international indicators and model law templates are considered ‘ideal,’ and the questions within the assessment focus on various aspects of legislation and enforcement infrastructure. These aspects include the presence of legislation, articles, definitions, institutions, enforcement mechanisms, exemptions, international agreement responsibilities, accountability, redress modes, and accessibility.

Generally, a “Yes” answer scores one point, while a “No” answer scores zero. In some cases, a positive response may score zero, such as when certain types of exemptions or capital controls are present. By providing a structured scoring system with clearly defined categories, this assessment method offers a detailed analysis of a country’s regulatory framework, facilitating a better understanding of its strengths and areas needing improvement. The scores were analyzed according to the criteria used in table 6 below.

Member States’ legislation is assessed using the indicators. ESCWA assesses each Member States’ legislation to assign a ‘yes’ or ‘no’ answer for each indicator. As depicted in Box A, in order to obtain a value for a country’s score across each main heading, the responses to the individual indicators are aggregated and compared against a ‘model answer’. The same converting process is followed to obtain overall scores for the four overarching legislative themes.

3. Corroborating

ESCWA verifies its assessments with member States in order to ensure accuracy and transparency. Legislation for each of the 22 Member States is assessed against the indicators in-

house by ESCWA. This research is corroborated by feedback from stakeholders in member States to ensure veracity, either in the form of surveys or KIIs where available.



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4. Scoring

Each score corresponds to a descriptive ranking of legislative capacity. The scores generated range from 0, indicating that no legislation is present, to a maximum of 7, indicating that the country’s legislation is “Very strong”

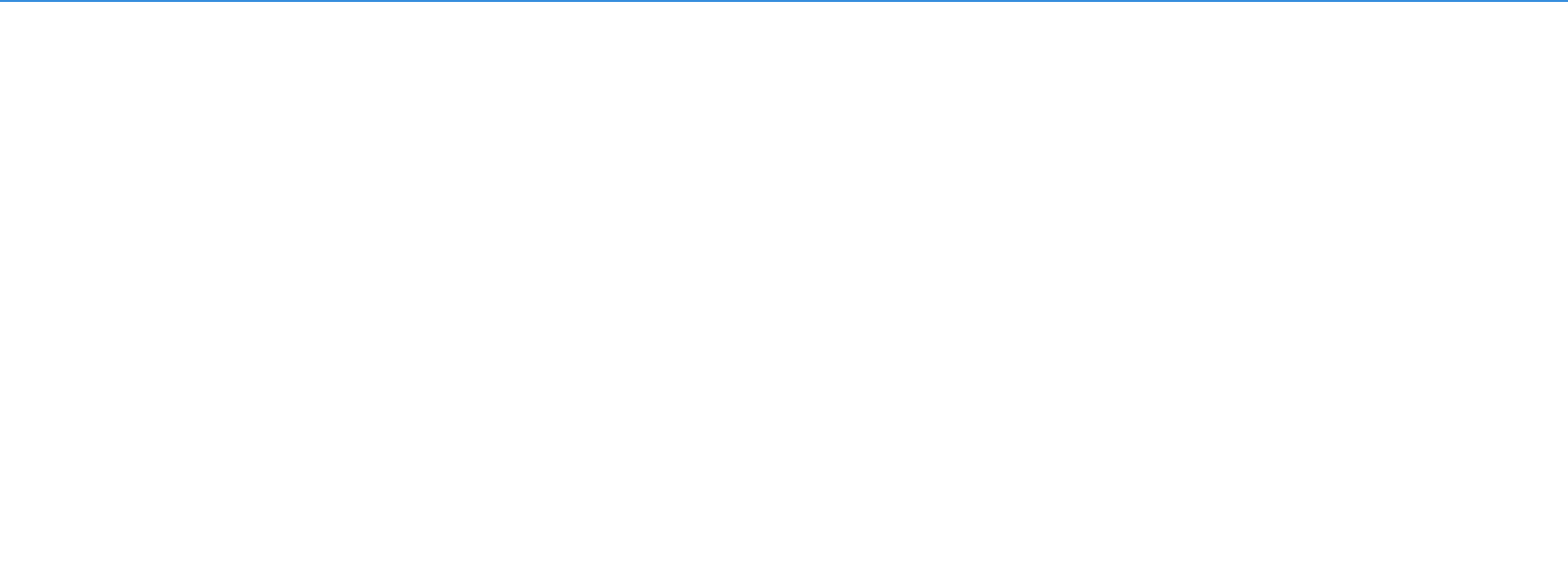
due to its near or exact alignment with international best practices in that area. In between these ranges are several different classifications, set out in the table below, which are referred to throughout the report.

Classification (score)	Number	Description
● Very strong	6 – 7	Legislative frameworks that score “Very strong” are deemed to match, or be highly close to, international guidelines and the model law templates.
● Strong	5 – 5.99	Legislative frameworks that score “Strong” are the closest to the very strong standards as recommended by international guidelines and indicators.
● Developed	4 – 4.99	The “Developed” classification indicates that a legislative framework is in a developed stage; it proves relatively effective but does not meet international standards.
● Moderate	3 – 3.99	The legislative framework is at a developing stage in comparison to very strong international standards. Certain aspects of the legislation perform effectively, but improvements are needed.
● Basic	2 – 2.99	The legislative framework in a country with this score is basic or does not rise to the general international standards. This legislation has the minimum structure or performance in comparison to very strong standards.
● Weak	1 – 1.99	A legislative framework that scores “Weak” is very far from strong international standards; it exists but often fails to be effective.
● Very weak	0 – 0.99	The “Very weak” classification is the lowest score, indicating the legislative frameworks that are highly ineffective and close to non-existent, or that there are no laws in the specified category.
● No score	0	The “No score” classification appears in case there is no law - this means that the legislative framework does not exist. The “No score” classification will be shown as blank.

Member States are classified into different groups in order to observe general trends in business legislation. A final methodological point to note is that, in the previous report, Arab countries were categorized into four geographical sub-regions: Gulf Cooperative Council (GCC) countries, Mashreq Countries, Maghreb Countries and Least

Developed Countries (LDCs). In this assessment, this classification has changed: as illustrated in the table below, countries are now referred to in terms of the following four categories: GCC countries, Middle-Income Countries (MICs), Conflict-Affected Countries (CACs) and Least Developed Countries (LDCs):

GCC countries	MICs	CACs	LDCs
Bahrain	Algeria	Iraq	Comoros
Kuwait	Egypt	Libya	Djibouti
Oman	Jordan	State of Palestine	Mauritania
Qatar	Lebanon	Syrian Arab Republic	Somalia
Saudi Arabia	Morocco	Yemen	Sudan
United Arab Emirates	Tunisia		



In the comprehensive assessment conducted on the framework of consumer protection legislation within Arab countries, the field of consumer protection remains underdeveloped within the region. The swift shift towards digital transactions has underscored the need for resilient and adaptable legislation. Provisions catering to e-commerce have been adopted primarily by the Gulf Cooperation Council (GCC) countries and Middle-Income Countries (MICs). Moreover, despite the crucial importance of promoting sustainable consumption within legislative frameworks, this aspect has not been sufficiently emphasized across the Arab region. The situation observed in the Least Developed Countries (LDCs) is of particular concern, with consumer protection legislation being markedly deficient, representing the weakest area within the Arab legislative landscape.

