



## Q&A on faster and more effective standardisation for economic growth

A new deal with the Council on a major overhaul of the EU standardisation system was unanimously endorsed by Internal Market Committee MEPs on 21 June. Standardisation helps to drive growth, by enabling firms to reduce paper work, cut production costs and get innovative products to market faster. It also ensures that these products are compatible and safe for consumers to use.

This background note gives details of how the overhauled standardisation system will work.

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# Background

## What is a standard?

Standards are voluntary guidelines that provide technical or qualitative specifications for a vast range of products from UV protection in sunglasses to language courses and chargers for electronic devices.

While firms are not obliged to work to standards, doing so does give them faster and wider access to the market, because goods manufactured to a standard are presumed to conform to the essential requirements, including safety requirements and "public interest" requirements (to protect public health, consumers, the environment, etc.), laid down in EU directives. Firms which do not work to standards must demonstrate that their product conforms to each individual requirement.

Standards also help to spread best practice and innovation among Europe's many small and medium-sized companies and so boost the EU's global competitiveness.

For consumers, standards make similar products easier to compare, ensure the compatibility of systems such as mobile phone chargers, lay down minimum safety requirements, and reduce manufacturing costs and hence prices.

# Background

## How does the standardisation system work and what is the EU's role in it?

Standardisation stems from voluntary cooperation among industry, business and other stakeholders such as consumers, social and environmental organisations and public authorities.

In Europe, this voluntary cooperation is managed by independent organisations, primarily at national level, through national standardisation bodies issuing national standards.

At European level, standardisation is conducted by the three independent European Standardisation Organisations: CEN (European Committee for Standardisation), CENELEC (European Committee for Electro technical Standardisation) and ETSI (European Telecommunications Standards Institute), the National Standardisation Bodies and the European Commission.

European standards can be prepared as follows:

- a standard developed by one of the European Standardisation Organisations,
- the Commission can ask (mandate) the European standardisation organisations to draw up a standard based on harmonised rules related to products or services or ask for a standard to be developed in a specific area where it believes this would be useful. For example, the Commission has asked for a common standard for chargers for electric cars, to enable their wider use,
- or a well-established standard can be taken up by and become part of EU legislation. For example, party whistle manufacturers years ago agreed on a common standard for the size of the mouthpiece, to help prevent infants from swallowing them and choking. This standard is now embedded in the 2009 Toy Safety Directive

About 34% of all European standards are mandated by the European Commission. However, a large majority of them are initiated by industry and privately driven.

This means that the EU plays primarily a coordinating role in the standardisation process. It is the EU that decides on the laws governing cooperation among stakeholders so as to ensure that standards are applied consistently in EU and EFTA countries.

Standards also play an important role in CE labelling, by helping to prove that a good complies with EU legislation and is approved for sale in the single market. Many requirements for obtaining a CE label are based on standards, so working to them can help firms save paperwork in getting CE approval for their goods.

The European Commission also helps to promote worldwide take-up of European standards by seeking to establish them as front runners in international standardisation bodies. This helps to ensure that goods made in third countries meet European safety standards, as well as strengthening the competitiveness of European businesses.

# Background

## What is the purpose of the standardisation regulation?

Standardisation is a key part of the EU's single market infrastructure. Ensuring that the development of standards proceeds smoothly, getting standards to markets faster and stepping up their use in areas such as information and communication technology (ICT) and services are essential to drive renewed growth in Europe.

To this end, the new regulation lays down the rules governing cooperation between national and European standardisation bodies and the European Commission, so as to ensure a clear division of responsibilities avoid administrative snags and prevent the emergence of incompatible or contradictory standards.

It also stipulates how stakeholders from business and industry and representatives of consumers, environmental or social organisations should be involved in developing standards, so as to ensure that whilst standards remain market-driven, the views of final consumers, in particular those with special needs such as disabled or elderly people, are also taken into account.

The regulation also lays down new rules for the ITC sector, to accelerate standardisation and the spread of innovation in this fast-growing sector.

Finally, the regulation is designed to encourage wider use of standards in the services sector, inter alia to improve the transparency and comparability of services.

# Background

## What will the rules mean to businesses, consumers and other stakeholders?

Parliament stepped up the involvement of stakeholders, especially small and medium-sized enterprises (SMEs) and representatives of consumers, environmental or civil society bodies in developing standards, so as to ensure that users' views are taken into account and that products meet their needs. Better involvement of stakeholders will quickly eliminate potential snags in the early stages of the development process, thus avoiding delays later.

Parliament sought to step up stakeholder involvement in the standardisation process by:

- introducing a "notification system" whereby all interested stakeholders are consulted throughout the various stages of the development of standards,
- asking the European Standardisation bodies to encourage and facilitate an appropriate representation and effective participation of all relevant stakeholders, meaning that parties interested in participating, should be included and given a voice,
- better involvement of national market surveillance authorities, and
- providing a broad definition of "societal stakeholders".

The new rules will also improve access to standards for SMEs by giving national standardisation bodies guidance, e.g. on how to provide free access to draft standards or to publish abstracts of existing standards on their websites or to supply standards to SMEs at special rates or in bundles at reduced prices.

# Background

## How will the rules affect the ITC sector?

Parliament ensured that procedures will be greatly simplified in order to speed up the development of standards and ensure that the system can keep pace with rapid technological developments.

Broad stakeholder involvement is ensured through the European multi-stakeholder platform, set up by the Commission in spring 2012 to involve relevant experts, whilst still allowing for a speedy procedure.

Parliament also sought to open up the system to technical specifications developed by private fora and consortia outside Europe in areas where there are no European standards or where existing standards have not been taken up by the market, thus ensuring the spread of best practice and interoperability of devices, especially in public procurement.

# Background

## How will the rules affect the service sector?

The new regulation includes services within its scope so as to boost the development of standards in this sector.

As health care, social services, social security, vocational training etc. are an exclusive national competence of EU Member States, as is clearly stated in the treaties, the European Commission will not be able to ask for standards to be drawn up for these sectors.

However, national standardisation bodies or others may develop service standards within these sectors and - as standards can help to enhance transparency and the comparability of different service providers - EU member states may choose to take them into account; e.g. when awarding public contracts.

This said, standards are always voluntary, and complying with them shows only that a service fulfils certain criteria. How EU member states make use of the information provided by the standard is entirely up to them.

# Background

## How much do standards contribute to GDP?

Studies show a clear correlation between the increase in the stock of standards and an increase in productivity and growth in GDP.

European Commission estimates show that in Germany, existing standards create growth equalling 1% of German GDP per year. In France, the growth is estimated at 0.8% of GDP a year, and slightly less for the UK (2009 figures).

While no joint figures exist for all EU member states and taking account of differences between countries, the estimated impact of standards on the EU's annual growth could range from 0.3 to 1% of GDP, i.e. between €35 and 120 billion a year (2009 figures).

# Background

## **When will the new rules enter into force?**

The regulation will enter into force 20 days after its publication in the EU Official Journal and will apply directly in all EU member states from 1 January 2013.

However, before this can happen, the Council and the European Parliament must give their final, official endorsements of the political agreement reached. Parliament will give its formal consent in a plenary vote, probably at its September session in Strasbourg.