



**Enterprise and Industry DG**

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***SPEECH***

**EUROPEAN PARLIAMENT  
COMMITTEE ON INTERNAL MARKET AND  
CONSUMER PROTECTION (IMCO)**

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**(15h00-16h00)**

Dear President (Harbour),

Honourable Members,

It is a great honour and pleasure for me to be for the first time as Director General for Industry and Entrepreneurship with you! There is a great tradition of excellent cooperation between you and my services for which I am looking forward to continue. And I can tell you that VP Tajani appreciates very much the cooperation and exchanges of views with the Members of this Committee.

Before speaking about concrete initiatives that the Commission is planning to bring forward let me recall the unprecedented economic crisis we are currently in. In response to this crisis Europe and Member States need action urgently. Therefore the general Commission priorities are focusing on measures to enhance growth and employment. We have to put the real economy at the centre of our actions. This is why we have adopted a revised industrial policy communication last October which VP Tajani presented to you in November. The goal is that industry's share of GDP should be around 20% in 2020. And on 9 January the Commission adopted the Entrepreneurship Action Plan. This action plan supports entrepreneurs and revolutionise entrepreneurial culture in Europe. The plan stresses the key role of education and training to nurture new generations of entrepreneurs. The high level of EU unemployment leaves untapped human resources, especially amongst women and young people.

Better market conditions is one of the pillars of our reinforced industrial policy. We have to improve the functioning of the Internal Market and avoid the creation of barriers. The Internal Market is a success story of which we should be proud. We have to continue our efforts to improve and complete it. That is why the Commission will focus several priorities of the Commission Work Programme on the Internal Market for Goods.

I will present you today the Work Programme of DG Enterprise and Industry which will have strong focus on the Internal Market. My presentation will focus on three main areas of initiatives:

- 1) Horizontal initiatives for Internal Market Legislation
- 2) Standardisation
- 3) Sectoral initiatives

## **1) HORIZONTAL INITIATIVES FOR INTERNAL MARKET LEGISLATION**

To ensure the good functioning of the Internal Market, we have a fantastic management tool: Directive 98/34. This Directive requires Member States to notify to the Commission and the other Member States all national draft technical regulations on products and Information Society services before they are adopted in national law. This allows us to prevent the creation of barriers. In 2012, the Member States notified 755 draft technical regulations in this framework. The Commission issued 64 detailed opinions, 150 comments, 4 blockages as reaction to these notifications.

In terms of legislation, for harmonised and non-harmonised products the internal market for goods is just about all in place. What's still missing is **effective enforcement**. Only with effective enforcement we can properly protect public interest and ensure that honest, compliant businesses can trade in fair and competitive conditions throughout the Union. It is also the protection of the consumer – only safe products have to be on the market – and its confidence in the Internal Market.

Therefore the Commission is proposing in the next days a '**Product Safety and Market Surveillance Package**' which will consist of a revision of the General Product Safety Regulation (GPSR), a new market surveillance regulation and a multi-annual action plan for market surveillance. These proposals must bring real, visible and tangible improvements to the enforceability and the enforcement of Union product legislation. It cannot be mere window dressing – it really has to make a difference. The contents of the Package are **part of both Single Market Acts and our Industrial**

**Policy.** In essence, the **package aims to** prevent non-compliant or dangerous product from entering on the market and at ensuring a trading environment that is tough on cheats and rogues.

The overarching objective of the proposal on the market surveillance is to change the Union market surveillance framework fundamentally so that it works better for its users! This will be done by creating a one tier market surveillance framework as called for by Parliament in a resolution prepared by your Committee. It would get rid of overlaps, close gaps, reduce the need to categorise products to a minimum and assimilate as far as possible the rules and procedures applicable to all products. This would result in a more even application of market surveillance rules across the Member States! As a consequence there will be better protection for consumers, more uniform trading conditions for economic operators and reduced administrative burdens.

In addition to the proposals on the enforcement the Commission will **review the Internal Market for industrial products**. The purpose of this review is to **identify the potential for simplifying and modernising the current rules of the Single Market** to improve the competitiveness of enterprises and the growth of the real economy. We are checking whether our legislation is up to date with the latest economic evolutions and trends. It is important to ensure that the legislation takes account of globalisation, eCommerce, the latest manufacturing practices and developments in the supply-chain and that there are no remaining barriers to the free circulation of products. A wide public consultation on the issue was just launched a couple of days ago. In parallel, the Commission is conducting a "fitness check" of existing legislation in the area of industrial products which will provide further input for the new initiative.

The Commission will present in 2013 also a number of proposals aimed at **simplifying** certain "internal market" Directives including on personal protective equipment (such as life jackets, helmets or sun glasses), gas appliances, the pressure equipment and cableways. The revisions of these Directives are part of the process of harmonizing legislation in New Legislative Framework (New Legislative Framework - NLF) and similar to the alignment Package of 9 Directives which you currently negotiate with the Council in 1<sup>st</sup> reading. This is a very important step towards the further **simplification of internal market rules and the reduction of the administrative burden on businesses**. The New Legislative Framework strengthen the obligations of importers and distributors in relation to the safety of these products and improved market surveillance in these areas. The revisions also provide updated texts in relation to technical progress and allow taking into account the experience accumulated and therefore include some adjustments in the scope, procedures for assessment of conformity with the essential requirements.

When talking about legislation one should not forget to reduce and minimise administrative burden, in particular for SMEs. Therefore the Commission launched a public consultation on the **TOP10 most burdensome legislative acts for SMEs** for which the Commission received more than 1000 replies. My services are currently analysing the detailed comments to get a clear picture on the specific problems flagged by organisations and SMEs. I can already inform you that the Late Payment Directive adopted in 2010 by you was quoted as example given revision of legislation at the European level expected to have positive effects on the SME sector.

## **2) STANDARDISATION**

Let me now move to the second main area of forthcoming initiatives, i.e. Standardisation. Last year you adopted together with the Council the European Regulation on standardisation which is an important milestone for the functioning of the Internal Market. Now the Regulation needs to be implemented. The annual **Union Work Programme for European standardisation (UWP)** is a new communication tool to increase **transparency of future Commission mandates** to European standardisation organisations (ESO) and to identify other **strategic priorities** for European standardisation, as you requested. The Commission has started the drafting process with an aim to discuss and finalise the first consolidated version of the Union Work Programme for European Standardisation before the summer break of 2013 and to adopt later in the same year. This timing will allow the European standardisation organisations to take full account of the Union priorities in drawing up their own work programmes which will be adopted in the autumn.

In 2013, the Commission will launch also **an independent review** of the European standardisation system. This review will assess whether the standardisation system **is able to adapt to the quickly evolving environment** and **contribute to Europe's strategic internal and external objectives**. As a minimum, it will be an **opportunity to evaluate how** the European standardisation organisations (ESO), National standards bodies (NSB) and the Commission, **have implemented the Standardisation Package**. However, bearing in mind that the Standardisation Package was intended to be an evolutionary vision for the period up to 2020, the objectives aimed for in the Package, may take some time to be reached.

The importance of standardisation for citizens and businesses cannot be highlighted enough. Let me give the example of two important cases:

a) The initiative of the Commission to **harmonise chargers for mobile phones** has been strongly supported by Members of European Parliament –

in particular by your Committee and Mr Manders - and by consumers, and has provided substantial visibility to the Commission in press, TV and radio. The voluntary agreement has been successful in delivering benefits for citizens. In view of the expiry of the Memorandum of Understanding by the end of 2012 the Commissions requested a timely extension of the agreement by one or more year. The Commission notes the disagreement of the signatories on an extension of the Memorandum of Understanding by one or more year for the actual generation of data enabled mobile phones and deeply regrets this decision. The Commission is convinced that consumers and manufacturers can benefit from an extension of the initiative on harmonisation of charger to new categories of products such as the new generation of mobile phones. In addition technological innovations and other small electronic devices, such as digital cameras, tablet, music players need to be taken into account. Therefore, the **Commission intends to launch a study evaluating the results achieved with the Memorandum of Understanding, and to consider options for appropriate follow-up including further voluntary agreements and legislation.**

b) Another important field for harmonised charges are for the promotion of the internal market for **electric vehicles**. It is important that plugs, chargers and electric vehicles will be **interoperable** and no market barriers will be imposed. The Commission is concerned about the lack of agreement between stakeholders in the standardisation process on the interface of the electric vehicle charger (**infrastructure side**). It is important ensuring that practical and satisfactory solutions for the infrastructure side of the recharging interface for electric vehicles are implemented throughout the EU. Manufacturers were unable to find a unique solution through a voluntary agreement or through the standardisation process. Therefore the Commission should have adopted today [24 January] legislation on fuels infrastructure, which includes the choice of a plug, plug Type 2, to equip the infrastructure side of the charging of electric vehicles".

### **3) SECTORAL INITIATIVES**

As we are just talking about future of the **automotive sector**, let me inform about some on-going work for this important industrial sector. Thanks to the excellent support of your Committee the internal market legislation for motorcycles and tractors (L-category and T-category vehicles) was amended. We managed to enhance this legislation considerably, mainly through the introduction of **market surveillance** provisions to complement the type-approval requirements. A similar updating exercise may now be necessary for the type-approval legislation for vehicles of category M, N and O (cars, buses, trucks). All stakeholders involved on the CARS 21 exercise agreed on the need for such an initiative, which is now part of the CARS 2020 Action Plan under the heading "improving market conditions/smart regulation". The Commission is currently finalising a fitness check on the legislation for motor vehicles and may come up with a proposal to amend legislation.

Another economically and strategically important sector is **defence**. A strong and robust defence industrial base is indispensable for an autonomous and credible Common Security and Defence Policy. To achieve this objective and to safeguard and develop the industrial capabilities Europe will need in the future, a genuine Internal Market and common European Defence Industrial Strategy is necessary. The Commission needs to determine how these capabilities can be best fostered by those policy and funding instruments which are at its disposal. Therefore the Commission will adopt later this year a **Communication on the comprehensive strategy to support the competitiveness of the defence industry**. The focus will be on Industrial Policy, Internal Market and Research & Innovation.

At the end of my presentation let me touch briefly on proposals adopted and implemented. The proposal for a **Regulation simplifying the transfer of**



**motor vehicles registered in another Member State** within the Internal Market adopted last April responds **to one of the 20 issues that are of most concern to EU citizens**. It aims at improving the functioning of the internal market through the elimination of related barriers to free movement of vehicles previously registered in another Member State. We are looking forward to the cooperation with you and in particular the rapporteur Mr Manders and shadow rapporteurs to conclude this file in the near future. The Commission also hopes that the simplification goals of the proposals will be maintained throughout the legislative process to answer the expectations of European citizens and businesses.

Furthermore the Commission adopted last year a proposal to revise the **Directive on radio equipment**. The area of radio equipment is one of the few high-tech areas in which the EU is a world leader, and we want to strengthen this role. We are looking forward to good cooperation with the rapporteur Ms Weiler and all other Members on this proposal.

## **CONCLUSION**

Your Committee was in the lead the adoption of several important legislative acts such as Late Payments, motor vehicles, Textiles and Construction Products. Let me be able to conclude reassuring you that implementation of these files well is on track and my services are always at your disposal. We very much appreciate the excellent work done by your Committee.

2013 will be an important and crucial year! We will implement our industrial policy and strengthen the Internal Market. Growth and the competitiveness of our industry are our priorities. And it will be also the last entire year in this legislature to work on our initiatives together. So we will continue for example with the information campaign on the Late Payment Directive in the Member States – a suggestion by you - and to which some of you already participated and some will participate this year.

I am personally looking forward to work and cooperate closely with you. Only when the Commission with the European Parliament join forces we will master the challenges lying ahead of us in Europe!