

CECIMO POSITION PAPER

EU Standardisation Strategy

31 March 2022



Introduction

CECIMO, representing the machine tool industry and related manufacturing technologies, welcomes the opportunity to share its position on the European Commission's Standardisation Strategy, given the far-reaching implications that it will have on the long-term performance of European industry as well as the overall functioning of the European Single Market.

CECIMO is and has always been a very proactive player in the field of standardisation, as it counts on an extensive network of National/European associations and companies from the manufacturing sphere that regularly participate and shape standardisation activities at the European and international level. In this regard, our Association is a direct contributor to international standardisation activities both technically and financially, through our participation in numerous technical committees within ISO and CEN-CENELEC.

Based on our extensive experience in this field, we believe that the current European Standardisation System (ESS) provides for a well-balanced system to serve European interests. The current standardisation structure relies on the expertise of a wide range of stakeholders, including industry, market users, public authorities and academia among others. This has guaranteed a high level of technical quality and market relevance while preserving the inclusiveness and transparency of the process. The astounding success of standards and their global market uptake have greatly benefitted from the technical quality and significant legitimacy that results from the aforementioned process, given the wide contribution of different stakeholders in the standard-making processes.

For this reason, we express concerns regarding the Commission's intention to interfere in the work and governance of standardisation bodies, fearing that it could undermine the trust in the current system that characterised by a market-driven public-private partnership. Although we support the ambition to take a more strategic approach towards standard-setting, the proposed changes to the governance of standardisation bodies should not undermine the inclusive nature of standardisation processes, as it could ultimately erode stakeholders' interest to actively participate and contribute to the ESS.

Therefore, while we appreciate the Commission's intention to introduce a strategic factor within the dynamics of European standardisation, **we remain convinced that the proposed strategy does not effectively tackle the inefficiencies of the current ESS**. In this regard, based on our members' experience and in a spirit of cooperation we wish to bring forward the following comments and recommendations:

Industry Role in Standards Setting

CECIMO is strongly convinced that for the long-term well-functioning of the ESS, including harmonised standardisation, industry must remain a key stakeholder. In this regard, the extensive participation of industry, bringing in competence and experience to the said system, has resulted in standards that are:

- Understandable to the target audience
- Workable in everyday practice
- Focused on EU legislation and thus fully adequate to give the presumption of conformity to specific technical requirements.

ESS can be considered as a public-private partnership in which industry players are the main contributors, and thus represent a critical stakeholder. For this reason, while we welcome the creation of a dedicated “High-Level Forum” to ensure engagement in standard-setting. It is of utmost importance to ensure that all relevant stakeholders are directly involved in the agenda-setting and development of actions of this proposed Forum. In fact, **it is fundamental for the European industrial sector that any future standardisation system remains a consensus-based model**. Government should continue to set the overall framework and leaves the development of specific standards to experts from business and consumer organizations.

Technical Specifications

The introduction of technical or common specifications through implementing acts could lead to a replacement of official European standards, thereby creating a parallel system that undermines the inclusiveness and transparency of the current public-private partnership dynamic that is inherent within the existing ESS.

This new process will require specific technical know-how on the state of the art, which is largely unavailable within the Commission and generally difficult to recruit for new projects due to the limited pool of experts available.

Hence, the Commission might experience difficulties **to gain the participation of the relevant parties and qualified experts in such a parallel process** for developing technical specifications, especially considering the interconnectedness of CEN-CENELEC standardisation activities (currently over 40% of standards are developed together with ISO and IEC) in the international context. Consequently, those **technical specifications may lack the necessary technical practicability** and be therefore not suitable for the application by the relevant machine manufacturers or they might not meet the market needs and involve additional costs for industry.

On the other hand, the current standardisation system has long guaranteed the involvement of a wider range of stakeholders a high technical quality and adequacy of European standard contributions (compatibility, interoperability and basic safety), supported the integration of the single market and helped Europe to achieve leadership in global standard setting. Therefore, given the limited pool of standardisation expertise in Europe, the development of a horizontal approach to technical specifications, as an alternative to CEN, should only be possible under strict conditions and taking into account the early involvement and direct engagement (not only via consultations) of industry.

Lack of Funding for EU Industry

In our view, the most significant strategic pitfall contained in the new Standardisation Strategy lies in the fact that **the EU is not promising nor committing to allocate additional financial resources to standard-setting**, even though these are highly needed.

Currently, European industry is reducing rather than increasing its participation in international standard-setting due to financial constraints, given the significant direct and indirect costs that are incurred from the participation in standardisation activities. On the other hand, over the past few years, we have witnessed a steadily increasing participation from Chinese companies, due to the large availability of public funding provided by the Chinese governmental authorities.

In order to effectively compete with the state-centric approach (e.g. China), the Commission should thus support and enhance the participation of European companies in standardisation forums through additional public funding. At the very least, the Commission should allocate more resources and desk officers within its structure, since these are vital to address the financial shortcomings of European companies involved in standardisation. To this end, **CECIMO strongly believes that public funding both at National and European level in addition to direct assistance would be the optimal policy action to allow European companies to effectively anticipate and lead on standardisation activities.**

Strategic Pitfalls

The strategy proposed by the Commission does not elaborate sufficiently on concrete solutions to effectively address the existing inefficiencies of standardisation processes.

In May 2021, 17 EU countries published a document explicitly pointing out the lengthy time delays in the approval of new European standards, and warning the Commission of the rising possibilities that companies would start using international standards instead.

Within many industrial sectors, companies still face serious challenges with the current EU governance for harmonised standards – less than 10% of the standards needed under the Medical Device Regulations has been harmonised and referenced, and 100% of CPR-related standards proposed by CEN/TC 72 and CEN/TC 191 have been rejected.

Also, **the slow citation of harmonised standards in the Official Journal of the EU increases financial and administrative burden for stakeholders and demotivates experts**, including those from industry, from participating in European standardisation. Timely citation of standards is thus crucial to ensure legal certainty for product and services providers.

Nonetheless, ESS remains vague as to how the Commission intends to address the long-discussed acceleration of standardisation in Europe.

This means that publication of harmonised standards will remain slow and cumbersome. In this regard, the Strategy should clearly and explicitly mention the role of Harmonised Standards (HAS) Consultants in delaying the publication of harmonised standards, something which is often overlooked. According to our network, these consultants are the main hurdle to speedy publication of harmonised standards.

For this reason, the signing governments of the aforementioned document have increasingly called on the Commission to provide greater flexibility for European Standardisation Organisations (ESOs), including clear criteria for evaluation of standards, and making their citation in the EU Official Journal quicker. In this regard, **CECIMO calls for restoring efficient mechanisms for the development, assessment and timely revision of relevant, state-of-the-art harmonised standards that respond to market needs and support the application of EU law.**

European Standards in the Global Context

The EU has long been a promoter of international standards as parts of its commitment to free trade and multilateralism. The COVID-19 crisis and the current geopolitical context in Europe has shown the need for Member States to focus on building greater capabilities and resilience across all sectors of the European economy. However, building EU resilience through a model for strategic autonomy should not mean that Europe resorts to protectionism or isolationism, but further reinforce the participation of relevant stakeholders in international standardisation.

The current standardisation system is underpinned by multiple dedicated agreements with international Standards Developing Organizations, most notably the Vienna and Frankfurt Agreements. Besides the apparent legal ramifications of the agreements, they provide significant technical incentives for European standards on safety and performance, and help reduce regulatory divergence.

CECIMO believes that structuring technical standards strictly according to the requirements of EU Regulation could:

1. Widen the gap between International and European standards
2. Increase product development costs to European manufacturers and potentially prices to end-users
3. Delay the placing on the market of state-of-the-art products in the EU, which will result in a loss of technology leadership of European industry.

Therefore, given that the quality of international standards highly benefits from the knowledge of the global community of technical experts, the EU's goal must be to harmonise and reference to European Standards that fully adopt ISO and IEC full consensus standards to guarantee alignment with international requirements.

Conclusion

CECIMO believes that the comments and feedback expressed in this position paper would contribute to the establishment of a clearer standardisation system for the overall industrial sector of the European Union.

We look forward to working with all the relevant stakeholders involved to build a future Regulation that provides both a high technical quality and market relevance of standards, while ensuring the free flow of goods in the dynamic and competitive sectors of European industry.

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CECIMO is the European Association of the Machine Tool Industries and related Manufacturing Technologies. We bring together 15 national associations of machine tool builders, which represent approximately 1500 industrial enterprises in Europe (EU + UK + EFTA + Turkey), over 80% of which are SMEs. CECIMO covers 98% of the total machine tool production in Europe and about 33% worldwide. It accounts for approximately 150,000 employees and a turnover of around 22.5 billion euros in 2021. More than three quarters of CECIMO production is shipped abroad, whereas half of it is exported outside Europe. More than three quarters of CECIMO production is shipped abroad, whereas half of it is exported outside Europe.