

1 February 2021

Mr Pedro Siza Vieira
Minister of State for the Economy
and the Digital Transition of Portugal,
Chair of the EU Competitiveness Council

Copies:
Permanent Representations of EU Member States,
European Commission

Dear Minister,

Re: Industry competitiveness heavily relies on effective harmonised standardisation

The co-signatories to this open letter congratulate you on the start of the Portuguese EU Council Presidency which takes place at such an important moment in the history of the EU. On behalf of our membership, we wish you both success and patience in the negotiations you will lead.

We have been regularly raising concerns regarding the **European Commission's over-prescriptive approach to EU harmonised standards** and their treatment of standards as an "extension of EU law" rather than a market-driven implementation tool. The Commission has established processes and practices that impede the delivery of state-of-the-art solutions in a timely and cost-efficient manner to the European businesses and consumers. This approach is damaging a system which is at the core of the success of the Single Market for goods and jeopardising its functioning (you can find the negative consequences listed in the annex). We are aware that the EU executive's approach is being challenged by the majority of Member States.

This systemic problem relates to the over-extended powers of the Commission, on the basis of its own interpretation of liability for harmonised standards, substantially contested by many stakeholders as well. Using standards as a quasi-legislative tool contradicts the very essence of standardisation as a bottom-up process driven by a consensus of all interested parties through the European standardisation organisations.

The mentioned concerns could and should be **urgently addressed as the key issue affecting European industry competitiveness**. To be successful in our recovery from

the present crisis and ensure the success of our industry in the twin green and digital transition, the EU should end the Commission's over-prescriptive policy on harmonised European standards. In this regard, there are direct links spanning the upcoming **European Standardisation Strategy**, the launched **evaluation of the New Legislative Framework (NLF)** for products as regulatory framework for the harmonised sector, and ultimately, the soon to be published **revised Industrial Strategy**.

This is also a huge concern in terms of **European global competitiveness and international trade**, particularly when the market and society needs are highly dependent on globalisation and rapid technology changes often reflected in the development of international standards. It is essential for the global relevance of European industry that the EU remains the leader in international standardisation and adopts harmonised European standards to match the latest state-of-the-art developments in a timely manner.

Therefore, we urge the Council of the EU to:

- consider the issue of harmonised standardisation as inseparable from the revision of the Industrial Strategy for Europe and the evaluation of the NLF for products
- demand the Commission to stop treating harmonised standards as part of EU law, when not explicitly referred to as such in the sectoral legal acts, as this contradicts the well-established NLF principles
- call on the Commission to re-establish the standardisation processes which have worked as a successful model under the NLF for many years, with the right balance of participation in the process from the Commission, Member States, European standardisation organisations and stakeholders
- suggest this opportunity to the Commission to adjust the approach in the upcoming Standardisation and/or renewed Industrial Strategy, and subsequently in the standardisation procedures which should be geared towards enabling innovation and its market uptake, so that Europe proves the global leadership
- always prioritise the well-established NLF route of the consensus-based harmonised standards over technical specifications in delegated or implementing acts

A clear position of the Council in this regard is of utmost importance.

The co-signatories, representing businesses from a variety of sectors in Europe, invite the EU Council Presidency to urgently address this issue that has been flagged on many occasions, and help in finding a workable solution that would serve both the policy objectives and market needs in an efficient way. Timely and effective harmonised standardisation in the EU is crucial for our industry competitiveness.

Yours sincerely,



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Director General



Malte Lohan
Director General



Frank Heemskerck
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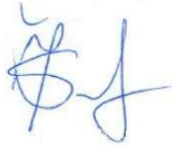


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Annex

The stretched powers of the Commission and the resulting lack of harmonised European standards are currently leading to the **negative consequences for the economies of Member States and companies**, such as:

- the lost market access speed, as a result of delays in the citation of new harmonised standards in the Official Journal of the EU
- reduced innovation due to the Commission's prescriptive practices in harmonised standardisation which go beyond the legislation requirements
- a general loss in harmonisation of European standards and the presumption of conformity they would provide, which in turn creates additional costs for industry and burdens for the market surveillance system
- lack of capacity in independent conformity assessors and notified bodies to meet the increased demand and respective delays in conformity assessment
- increased, often unjustified, costs for industry such as investment in adjusted compliance processes instead of using the presumption of conformity, where under normal circumstances the use of standardisation would reduce costs
- drain of scarce industry expertise to address the drawbacks of a bureaucratised system in a burdensome interaction with the Commission and their intermediary (HAS consultants), causing delays in the approval and publication of harmonised European standards, as opposed to a streamlined setting of global standards
- vastly underused compliance and innovation commercialisation tool for industry as well as misalignment with global (industry-driven, voluntary and consensus-based) standards
- finally, loss of industry interest in participation in the harmonised European standardisation and, subsequently, the loss of our competitive edge in the global standardisation race and trade