

SECURING EUROPE'S INDUSTRIAL COMPETITIVENESS

An Agenda to recommit to the Single Market

Europe's industrial competitiveness hangs in the balance, and the surest way to preserve it is a renewed commitment to the Single Market.

This is a pivotal moment for Europe's industrial competitiveness. The fallout from Russia's war against Ukraine, the increasingly assertive industrial policies of the USA and China, and high geopolitical uncertainty have all contributed to a realisation that Europe's long-held status as an industrial powerhouse is no longer a given.

We need a strong and effective European Single Market today more than ever.

Thirty years after its creation, the Single Market shines out as one of Europe's greatest achievements, delivering growth, prosperity, jobs and standing for Europe on the world stage. GDP across the EU is nearly 10% higher because of it¹ and the free movement of goods has increased more than five-fold in 30 years², to mention just one of the 'four freedoms'.

Europe's technology industries and the 11 million direct jobs we represent are especially dependent on the Single Market: our sectors are both highly export-oriented and closely integrated along the value chain.

However today some of the advantages of our internal market, so painstakingly built up over the years, are being quietly eroded, in the face of mounting legal requirements, standardisation backlogs and national 'gold-plating'.

As the industries on the front line of the green and digital transition, **we urge European leaders to renew efforts to reverse this erosion and recommit to greater harmonisation, a real level playing field, and fewer barriers to competitiveness and growth.**

To this end, we present this agenda for action to reinforce and recommit to the Single Market, focused on three broad priorities:

- 1 **Recommit to a proven regulatory model**
- 2 **Level the playing field**
- 3 **Reclaim our leadership in international standardisation**

Europe still holds a lead in high-tech manufacturing and clean technologies. To preserve and strengthen that lead in the face of serious challenges to our competitiveness, the most powerful lever we have is in our own hands: a revitalised and efficient Single Market.

The benefits of removing the barriers to a fully functioning Single Market for goods and services could amount to €713 billion by the end of 2029³. The price of not doing so could be even greater. Time to unleash its full potential.

¹ [Single Market Barriers, 2020](#)

² [Eurostat](#)

³ [Identifying and addressing barriers to the Single Market, 2020](#)

POLICY PRIORITIES

1 Recommit to a proven regulatory model

- **Assess all new legislative proposals for impact on competitiveness.** Europe needs to ensure its regulatory framework is innovation-friendly, technology-neutral and flexible, and that it provides long-term stability and legal certainty.
- **Consistently embed the New Legislative Framework (NLF) across all new product legislation,** including its principle of technology neutrality, use of essential requirements, application of harmonised standards and the modules approach to conformity assessment. The NLF has proved itself highly effective, cost-efficient and resilient in helping to realise the Single Market and support EU competitiveness.
- **Avoid the negative effects on competitiveness of undue extensions of mandatory third-party certification.** Self-assessment of conformity is a tried and tested compliance method which allows faster time-to-market, a vital factor in European manufacturers' competitiveness. There is no evidence that requiring third-party conformity assessment for products improves their level of safety, nor that third-party certified products perform better in market surveillance compliance checks.
- **Keep the development and approval process for harmonised standards efficient, transparent and consensus-based.** Harmonised standards are the key technical tool to comply with EU legislation. If they are not processed in a timely way, competitiveness is undermined. The involvement of industry in the development of market-driven standards remains key for their relevance and uptake.



2 Level the playing field



- **Strengthen market surveillance to overcome unfair competition on the internal market.** Existing shortcomings in market surveillance must be addressed, which in turn requires legislation that is simple, proportionate and flexible.
- **Reverse the tendency towards gold-plating by including a Single Market test in impact assessments of national laws.** The EU is witnessing a growing tendency for diverging national laws and policy implementation, especially in areas linked to the twin transition. Such gold-plating is counterproductive as it raises costs for businesses, creates barriers to intra-EU trade and ultimately slows down the path towards the transition.

POLICY PRIORITIES

3 Reclaim our leadership in international standardisation

- **Ensure standardisation activities remain open to input from the international community.** Building resilience and strategic autonomy for the EU must not translate into protectionism. This is particularly true in the standardisation system, which benefits from the knowledge of the global community of technical experts.
- **Close the gap between European and international standardisation to support our companies' global leadership.** Structuring international technical standards according to the requirements of EU regulations risks widening the gap between international and European standards. This in turn increases product development costs to European manufacturers, delays the placing on the market of state-of-the-art products in the EU, and raises prices for end-users. The result is a loss of technology leadership of goods manufactured in Europe. Europe needs to be more agile and adaptable to maintain leadership in international standardisation.
- **Further reinforce ties with key international partners in standardisation** and promote the participation of European stakeholders, including companies and environmental and societal stakeholders in international standardisation activities. If used well, the High-Level Forum on European Standardisation and the EU-US Trade and Technology Council both have an important role to play.



As Europe celebrates the Single Market's 30th anniversary, it must also set the foundation for the next 30 years. Having been there from the start, our industries are committed to playing their full part so that the Single Market continues to deliver growth and prosperity for Europe on the path to a net-zero economy.

OUR INDUSTRIES AT A GLANCE

2,497

billion EUR
turnover value of
Europe's technology
industries in 2021

10.97

million people
directly employed by
Europe's technology
industries in 2021

664.2

billion EUR
annual direct exports
of Europe's technology
industries in 2021

770,000

companies
represented by our industries,
most of which are SMEs and
micro businesses

Orgalim and Europe's technology industries

Orgalim is the voice of Europe's technology industries, comprising 770,000 innovative companies spanning the mechanical and electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,497 billion, manufacturing one-third of all European exports and providing nearly 11 million direct jobs.

Founded in 1954, Orgalim was one of the earliest voices advocating for the benefits of a Single Market that allows free movement of goods between European countries. When the Single European Act was adopted in 1986, Orgalim applauded the initiative and ever since, together with thousands of industry experts engaging across a broad range of policy areas over the years, we have worked hard to help make it a reality.

Orgalim represents:

22



Countries

20



European sector
associations

29



National industry
associations

3



Industries

mechanical engineering; electrical engineering,
electronics, and ICT; metal technology

References and further information

Orgalim positions:

- [Industry calls on EU legislators to respect principles of the New Legislative Framework in the AI Act](#)
- [Criteria for common specifications](#)
- [Orgalim response to NLF Evaluation March 2022](#)
- [Mandatory third party certification is a step backwards](#)
- [Orgalim's input to the European Commission Consultation on the proposal for a new Machinery Products Regulation](#)
- [Joint industry statement – Feedback on the Standardisation strategy](#)
- [Joint industry recommendations for effective Harmonised Standardisation](#)

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