

Brussels, 11th April 2017

Orgalime core policy statement on-the REFIT of the Machinery Directive 2006/42/EC

- **If it isn't broken – don't fix it: the Machinery Directive is a success as the core EU framework legislation for the mechanical engineering industry. It runs very well and with a performing standardisation system producing supporting standards flexibly and in a timely manner will continue to underpin the industry's growth in employment and output**
- **A revised Machinery Directive? No thanks!**

Orgalime welcomes the European Commission Evaluation of the Machinery Directive 2006/42/EC in the framework of the Regulatory and Performance Programme. While Orgalime has actively contributed to both the public and the targeted consultations, we would like to provide the Commission with key ideas for the future of the Machinery Directive 2006/42/EC.

1. The Machinery Directive 2006/42/EC is the core legislation of Orgalime industries.

With a turnover of over 1,900 billion Euro in 2015, the engineering industry is the largest industrial branch in the EU and accounts for over a quarter of the manufacturing output and a third of the manufactured exports of the European Union. It is an industry which has seen persistent growth in employment and output, including in recent years.

The mechanical engineering industry itself is a leading manufacturing sector in terms of performance and technology: it is export-oriented and is one of the most competitive in Europe. This is, to a large extent, thanks to the Machinery Directive which is well implemented in all the EU Member States (and taken as a model in other non-EU countries). The sector has continued to thrive and grow in the face of strong competition even at a time when traditional competitors, such as the US and Japan, have seen their output decrease.

Although some of our industrial sectors have been hit by the crisis and competition on the global markets remains very strong, Europe has succeeded in maintaining its leadership in terms of research, innovation and productivity in the core areas which underpin the whole manufacturing chain.

2. Engineering industries are mainly composed of small and medium-sized enterprises

As repeatedly mentioned, the engineering industries, which Orgalime represents as a whole, are largely composed of small and medium size companies; they represent about 95% of the membership. These SMEs which are located in every country and region are often referred to, and rightly so, as the backbone of the European economy.

A large proportion of these companies employ less than 10 workers; this group in particular, requires a stable and supportive framework to work and place its equipment on the EU and global

Orgalime, the European Engineering Industries Association, speaks for 40 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 24 European countries. The industry employs some 10.9 million people in the EU and in 2015 accounted for more than €1,900 billion of annual output. The industry accounts for over a quarter of manufacturing output and a third of the manufactured exports of the European Union.

market. Every change, even minor, in such core legislation has significant impact on these SMEs which must every day concentrate on their business to compete successfully: they simply do not have the staff, time and the financial resources to cope with ever changing legislation, particularly if this is not helpful to their development.

It is also worth reminding regulators that the Machinery Directive is only one of the myriad pieces of legislation our companies have to apply to their products and many of these other laws have recently been aligned or amended. Therefore, when a piece of legislation is performing well, as we believe the Machinery directive is, common sense would recommend to keep it as it is. It is in the end a win-win situation: Europe's engineering industries will be able to continue to operate in a stable legal environment, which will also favour future investment in the EU and with this, growth in output and employment.

Furthermore, the amendment of the Machinery Directive, especially the amendment of the requirements of Annex I with the Essential Health and Safety Requirements, would lead to the heavy workload of consequently adapting about 800 Harmonized Standards. As regulators are aware, the manufacturers of the sector invest heavily in these standardisation activities and do not at all welcome the thought of having to re-work all of them, in particular, under the present increasingly dysfunctional conditions for the citation of Harmonized Standards in the EU Official Journal because of the implementation of Regulation 1025/2012. There is no time for manufacturers and the European economy to miss the train of global competitiveness.

3. Supportive legal framework of the manufacturing sector in Europe which highly contributed to the economic growth of the EU

The current Machinery Directive has been applicable since December 2009 and our companies are now becoming used to it, after several years of adaptation; it enables them to focus on other key issues and concerns such as investment and innovation while taking for granted the support of a legal framework that underpins their investment in the EU. It is also of utmost importance, for all the sectors of industry in general and for the engineering industries in particular, to cope with economic challenges at global level. To meet the objectives of competitiveness set up by decision makers, SMEs need to rely on a stable legislative framework that will in the end contribute to a much-needed manufacturing renaissance boosting the EU's economy.

In the past, the mechanical sector suffered from an unstable legal framework and an ever-changing legislation which undermined the competitiveness of the sector mainly due to haphazard political decisions. We welcome the fact that this trend is changing as European institutions recently began to adopt a broader vision, based on greater legal stability, to help the manufacturing industry to remain competitive.

Nevertheless, as developed in Orgalime's updated Vision paper "[Technology for the World Manufactured in Europe](#)" there are still a number of mainly non-legislative measures which would serve to boost the competitiveness of Orgalime's industry.

4. The current Machinery Directive is a key example of excellence of performance

The current Machinery Directive was one of the first 'New Approach' Directives which guaranteed the free movement of machinery within the EU, while at the same time guaranteeing a high level of protection for EU citizens and workers. Orgalime considers that the Machinery Directive has so far succeeded in maintaining a fair balance between these two major aspects: preserving the competitiveness of our industries without jeopardizing the health and safety at work or the safety of consumers.

Orgalime is convinced that the current version of the Machinery Directive is sufficiently aligned to the NLF, as codified by Regulation 765/2008 and Decision 768/2008, and therefore meets the

needs of its industry. If at all necessary, any further alignment should be limited to the definitions in line with other EU product directives.

Since its application in December 2009, the Machinery Directive sets the 'Essential requirements of Health and Safety', manufacturers should meet to achieve the State of the Art to be able to place machines on the market: this is proving to be an effective, transparent and well-functioning system. The choice of the technology applied to meet these requirements is left to the manufacturer. New technologies and innovative developments are reflected in the supporting 800 Harmonised standards under the Machinery Directive which represent the State of the Art. Manufacturers also actively participate in drafting these standards which guarantee practicable solutions for their daily business, bearing on average some 95% of the cost involved in developing standards.

Thanks to this structure and although new technologies are developed and the business environment changes, the Machinery Directive 2006/42/EC in its current version is fit to encompass those changes due to the main elements which are the key to its success.

This performing system of Essential Requirements, the application of the State of the Art and of voluntary harmonised standards can accommodate today and in the years to come any new technological developments, including, we believe, for the time being, innovative digital technologies developed and assimilated by the industry in its production processes, products and business models.

Although, in general, this is a well performing piece of legislation, manufacturers do face some implementation issues. However, we believe such impediments can easily be overcome, thanks to various non-legislative instruments such as the Guide of Interpretation to the Machinery Directive and the forum of the Machinery Working Group which are dynamic tools for our industries. It is important in our view to stress that these implementation issues are not triggered by the Machinery Directive itself but rather by a diverse interpretation of the law in the various Member States.

Conclusions

In the light of the above-mentioned considerations and in view of the future policy recommendations that regulators may consider, Orgalime recommends not to opt to revise the Machinery Directive 2006/42/EC but to focus only on introducing clarifications through non-legislative instruments and rendering the standardisation system as flexible and supportive as it has been in the past.

The competitiveness of European industries is at stake! Let us preserve it!

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