



# International Standardisation

## Orgalime Position Paper

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Orgalime represents 30 trade federations representing some 100 000 companies in the mechanical, electrical, electronic and metalworking industries in 20 European countries. These industries, which include many small and medium-sized companies, employ some 7.6 million people and account for 1038 billion euros in the GNP. Orgalime industries exported some 591.1 billion euros in 1999, which represents a third of total EU exports of manufactured products. In 2000, exports of engineering products are expected to rise by 15.8% for electro-technical goods, 13.5% for ICT products, 7.2% for machinery and 6.4% for metal products.

Orgalime shares the view of the Commission that European standards are important for the reduction of technical barriers to trade and for deregulation within the European market. The European engineering industry, however, is also interested in the development of international standards, because a substantial proportion of its exports go to third countries" and because more and more future European standards are in fact produced by international standardisation bodies. It is for this reason that the industry welcomes the WTO Agreement requiring the application of international standards.

Orgalime also welcomes the support of the European Council for international standardisation as evidenced in its Resolution of 28/10/1999 (Council Resolution on the role of standardisation in Europe, OJEC 2000/C141/01 of 19/5/2000).

Notwithstanding the progress made in many areas, Orgalime is concerned by some recent developments, both at the European and the international level, which could threaten the status of IEC and ISO standards as global standards.

### **1. European standardisation efficiently supports ISO and IEC standards as global standards**

Recently, a number of US-based organisations and companies have strongly expressed their feeling that Europe outweighs US interests in the development of ISO and IEC standards that consequently would not meet all sector or domestic needs. This situation has been reflected in the dispute over the revision of standard IEC/EN 61000-3-2 on harmonics generated in mains power networks.

Orgalime is of the opinion that the current ISO/IEC rules ensure openness, transparency and democratic procedures for the production of international standards for the global market. Furthermore US interests are well represented in the steering bodies of both organisations. US officials themselves do not endorse the argument that Europeans are in a position to outvote the US in the standards making process. Rather, officials place more emphasis on the problems arising from the lack of participation by US companies in international standards development<sup>1</sup>.

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<sup>1</sup> See interview of Gary Bachula, Deputy Under Secretary for Technology, U.S. Department of Commerce, in NEMA's *Electroindustry* Publication dated August 2000.

European countries are well represented in ISO and IEC technical committees because they consider international standardisation as an important tool to draft, not only global standards, but also standards which could be implemented as corresponding European standards.

The question of a balanced vote between Europe, the US and other emerging trade blocs cannot be found in opening CEN, CENELEC and ETSI to direct membership from non-European organisations. This would only end up in additional confusion and extended workload. European standardisation bodies should continue ensuring consistency, combining the needs of the market with both national and international requirements.

It is well known that standards development can no longer keep pace in some sectors with the speed of innovation. Orgalime believes that in those areas other deliverables coming from ISO and IEC, such as Publicly Available Specification (PAS) or Industry Technical Agreements (ITA), are required to cope with technological development.

Although efficiency and accountability could always be improved, Orgalime however believes that it would be unwise to challenge the European standardisation system, which reflects both the current state of the art and is applied voluntarily by the market forces. What is more, it would definitively damage the image of ISO and IEC standards as global standards.

## **2. European standardisation supports global challenges**

ISO / IEC International Standards enjoy presumption of a global agreement on their content among diverse national interests. Therefore, Orgalime believes that the principle of delegation to the national levels in both European and international standardisation has proved, on balance, to be a practical method of working; it should be maintained. The European standardisation system is democratic, open and transparent. Its rules are published and well known. The national members of European standardisation bodies have a firm commitment to real implementation of the results of the standardisation process; there is no place for "free riders".

Thanks to the Dresden Agreement on IEC/CENELEC co-operation, more than 83% of IEC standards are endorsed by CENELEC without any or only very minor changes. Likewise, as a result of the Vienna Agreement on ISO/CEN co-operation 40% of CEN standards are identical to ISO standards. As a result, Standardisation Bodies in Europe have implemented in full transparency more international standards than any other national standardisation body in the world, thus contributing actively to avoiding non-tariff barriers to trade.

For these reasons, Orgalime is committed to promote high quality IEC/ISO international standards under the WTO-TBT Agreement.

## **3. Could an EU-like New Approach work at international level?**

The New Approach, which was launched in 1985 in the European Union, provides harmonised essential requirements that products have to fulfil before they could be placed on the market. Application of publicly available harmonised standards gives presumption of conformity to these essential requirements, though the manufacturers are free to choose any technical solution that provides compliance with the essential requirements.

Although a number of areas of the internal market still need improvements, Orgalime can to a large extent support the Commission's statement that "the New Approach is today considered a success. We can say this after having harmonised requirements in more than 20 sectors. These include radio and telecommunication terminals, medical devices, pressure equipment, machinery and electro-technical equipment, recreational craft, personal protective equipment, toys and many other sectors." (Speech of Commissioner Liikanen on "Co-Regulation: a modern approach to regulation", Meeting of Orgalime Council Brussels, 4 May 2000).

Orgalime believes that the principle of New Approach directives, such as the Machinery Directive or the Low Voltage Directive, could be adapted for use at the international level under the umbrella of the WTO, while maintaining due regard to regional particularities, such as voltage differences. It should be noted that corresponding international and European generic standards for both sectors (Machinery and Low Voltage) already exist.

Is it possible that the standardisation approach could be implemented globally through formal Dresden-Vienna-like agreements on a sector by sector basis? In our opinion, this would improve the transparency in the transposition of international standards into regional standards, while meeting both national-regional and sector specific essential requirements.

A distinct separation of tasks between standardisation bodies and regulators would probably need to be maintained at the international level. Further discussions on this issue and on essential requirements or regulatory objectives could be facilitated by preparatory talks in business dialogues, such as the TABD, the EJBD or the MEBF<sup>2</sup>. More extensive discussions could be resumed in the United Nations and the World Trade Organisation (WTO). Orgalime strongly believes that the use of ISO and IEC Standards should be further promoted through the World Trade Organisation's Technical Barrier to Trade Agreement (WTO-TBT).

All signatories of the WTO Agreement on Technical Barriers to Trade have the obligation to play a full part in the preparation of international standards and also to use them as a basis for their technical regulations and for their conformity assessment procedures. With this in mind, the primary goal of the Commission's third country negotiations must be that these countries fulfil their obligations, as European countries do; this must be a prerequisite for mutual recognition of test results and certificates.

#### 4. Conclusion

Council Resolution of 28 October 1999 (paragraph 40) states that the Commission has been requested by the Council to develop "guidelines for a European standardisation policy in the international context before July 2001".

Orgalime, which "has strongly supported and contributed to the success of the New Approach in the engineering sectors" (Commissioner Liikanen, *op. cit.*), is ready to contribute further to the success of the New Approach at the international level. Orgalime therefore calls on the Commission to develop these guidelines in full consultation with us.

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<sup>2</sup> **TABD** = Trans-Atlantic Business Dialogue; **EJBD** = European Union / Japan Business Dialogue ; **MEBF** = Mercosur / European Union Business Forum.