



Dansk Industri

DI IM Survey & Policy Implications



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Improving the Internal Market for Products - Results of a Danish Survey on Barriers

Single Market Forum for Goods

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Purpose

- To present the results of a qualitative survey on barriers to trade in the internal market as experienced by Danish businesses
 - Overall results
 - Specific examples
- To provide suggestions to improve the internal market

Survey methodology

- 35 in-depth telephone interviews with DI members
 - Types of products/services exported
 - Types of barriers experienced
 - Handling of barriers
 - Knowledge of SOLVIT
- All types of products
 - Harmonized/non-harmonized
- April – September 2015
- Follow-up on similar studies in 2004, 2007 and 2012

ASSUMPTION
If one company has a problem due to national regulations, the same challenge must be experienced for all products of the same kind

Conclusions I

- A Majority of the companies find it **relatively easy and straightforward** to market and sell products in most EU countries
 - However, when you go deeper into the conversation, it turns out that **many of them have simply adapted their marketing strategies** to the situation of different requirements
- Barriers encountered are product and country specific
 - **Construction products, foodstuffs, products in contact with food or water, medical products and products under GPSD (lack of mutual recognition) and innovative products**
 - Countries such as the UK, Germany, Sweden, Norway, the Netherlands and Belgium are typically mentioned

Conclusions II

- Almost all companies have encountered special national rules in others countries even though their products meet common/ harmonized EU legislation and standards
- Several companies have also experienced (unfair) issues with the principle of mutual recognition in areas where no harmonization exists
- Especially requirements concerning documentation and testing
 - double testing,
 - change product characteristics,
 - give up marketing of certain products in certain countries
- Only few have tried to complain – e.g. through the SOLVIT system

Conclusions III

- A small majority of the companies do not find an increase in the number of rules that (negatively) affect their export within the internal market
 - Yet, approx. **one third of the companies do in fact find an increase** in the number of rules that (negatively) affect their export within the internal market
 - Among these rules, stricter (national) requirements for documentation, testing, approval and administration are repeatedly mentioned
 - **This tendency seems to apply to all sectors**
- Stricter requirements are accepted if they are based on common EU-regulation, while additional national rules are considered a substantial burden
- **More homogenous market surveillance in the different countries is asked for**

Specific case – Furniture

Furniture is under the scope of the General Product Safety Directive + European standards

- Special requirements in the UK for upholstered furniture due to fire protection, even for garden furniture, i.e. foam and textiles must be treated with flame resistant chemicals (which are not accepted on other markets)

Consequences:

- Double stocks of furniture (binding capital of abt. 150,000 EUR)
- Extra initial costs for each product (abt. 50,000 EUR per type)
- Abt. 25% reduction of product range
- Influences competitiveness negatively

Specific case – Water taps

- The construction products regulation (305/2011) only ensures free movement when there are European harmonized standards for CE-marking
- Water taps don't benefit from an internal market: even a European standard doesn't exist. The Commission mandate now risks being abandoned!
- National standards in e.g. UK, D, S, DK, N, B and the NL

Consequences:

- Lengthy procedures (e.g. application for approval sent in January 2014 in the UK – reply received in April 2015, now with request for new test)
- No transparency as to requirements – you just have to try again...
- One test typically costs 7,500 EUR (and then comes yearly or biennial audits from each test lab)

Specific case – Ceiling tiles

Acoustic ceilings – covered by the EU construction products regulation + European standards, nevertheless...

- National fire regulation requirements in e.g. the UK, Germany and Belgium
- Emission test requirements coming up in e.g. France, Belgium and Lithuania
- National requirements on documentation, e.g. on waste disposal

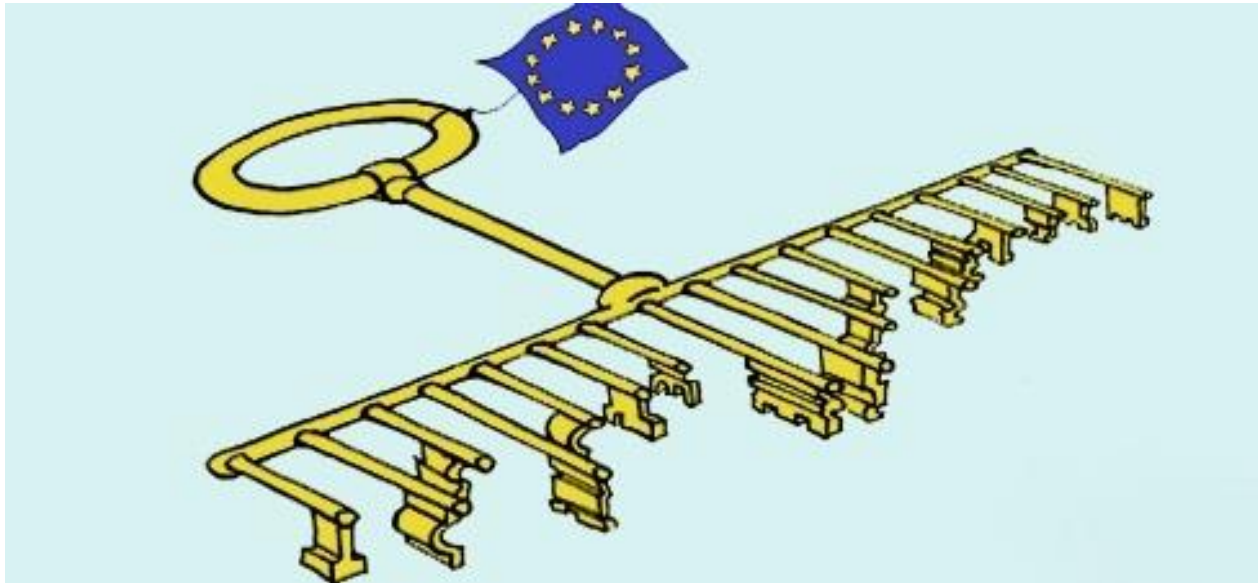
Consequenses:

- Extra costs without added value (the product is the same!) and time delays for testing and administrative burdens due to different requirements in different countries

Conclusion

- Good framework is in place
- Survey confirms previous findings
 - Well-known areas experiencing barriers and burdens
- Trend towards increasing demand for national testing and new requirements e.g. environmental concern
- Action is needed





What actions are needed?

- Commitment from Member States to the internal market
 - Thorough assessment of the need for a national regulation and whether it is in line with the Treaties
 - Acknowledgement of the principle of mutual recognition
 - Strive for common EU regulation and interpretation
- A Commission that takes the lead in developing a culture of compliance
- A more efficient complaint system
 - A fast track procedure at EU level

In terms of the upcoming packages

- Need to look at the system instead of individual tools
- Need to apply an integrated approach to problem solving

Improvement = integrated approach



Transparency Directive

Is the national regulation in line with EU law?

Communication on SOLVIT

Is the national regulation in line with EU law?

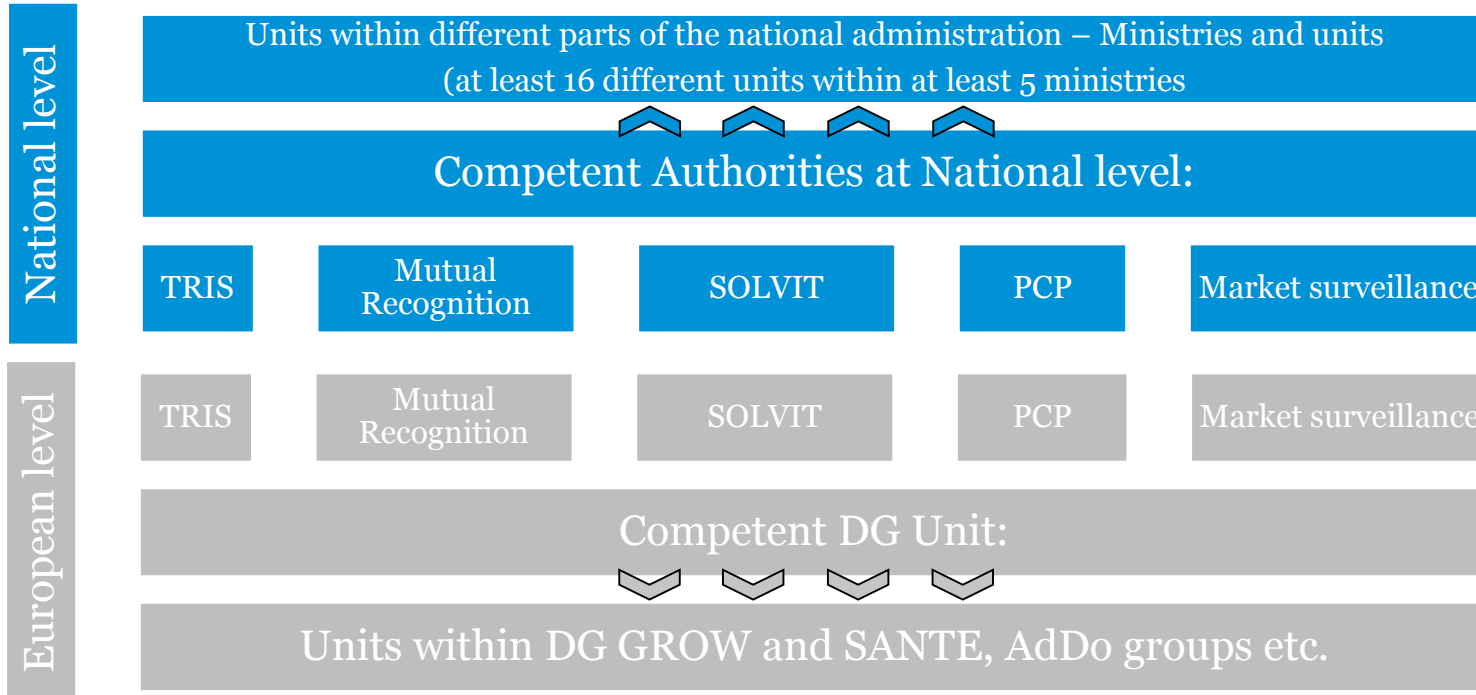
Mutual Recognition Regulation

When does mutual recognition apply?
=> overrule a national regulation?



QAP

Requires coordination across many actors





Access the report here:

<http://reader.livedition.dk/dikataloger/632/>

**To learn more about the survey or
the integrated approach:**

Contact Mette Peetz-Schou at meps@di.dk