

UNICE POSITION PAPER ON EU APPROACH TO THE WTO AGREEMENT

ON TECHNICAL BARRIERS TO TRADE (TBT) IN THE MILLENNIUM ROUND

A. GENERAL

Global trade is hampered by different national or regional market access conditions related to regulations, standards and conformity assessment schemes. As other trade barriers disappear, technical barriers are of growing concern to industry world-wide.

The TBT agreement was a bold step to remove these barriers. It obliges members to inform others on new technical regulations and conformity assessment procedures and to use international standards as a basis for technical regulations wherever possible. However, the effect of the agreement remained limited.

UNICE strongly supports the Commission's approach in its Communication on the Millennium Round to strengthen, clarify and expand the scope of the TBT Agreement. UNICE strongly encourages the EU to provide leadership in paving the road to a world without technical barriers to trade.

Industry would like to see WTO play a more important role by creating conditions for harmonisation of technical regulations and supporting the use of international standards.

- Regulators should focus on *regulating essential requirements* for public health, safety and environment.
- Regulators should leave technical details to market-driven *international standards* (i.e. ISO, IEC and ITU), bearing in mind that the compliance with standards is voluntary.
- Regulators should where possible promote *supplier's declaration of conformity* (SDoC) as the preferred option for conformity assessment based upon international standards.

Industry sees that these aims can be achieved best by progressing on a sectoral basis. Bilateral or multilateral commitments by members could serve as a vehicle for step-by-step harmonisation (as under the GATS agreement).

Furthermore, the TBT agreement should provide a framework for conclusion of bilateral or multilateral agreements on guidelines and principles for regulatory co-operation. Adherence to these principles should be followed up by the TBT Committee.

B. DETAILED COMMENTS

1. Strengthening existing provisions

The Commission, in its Communication, rightly emphasises the need to strengthen existing provisions. The highlight on incentives for compliance is fully in line with industry's expectations.

2. Clarification of existing definitions and provisions

The promotion of international standards is one of the most important aspects of the TBT agreement. In the view of European Industry, the clear distinction between different types of standards which follows from the agreement should be better explained to all members. In order to promote the work of the international standardisation bodies, a formal relationship between WTO and ISO / IEC / ITU should be sought, providing a platform for a dialogue on international standards matters. As industry is working hard on focusing these organisations towards the needs of the marketplace, governments should contribute positively to this process.

3. Expansion of the scope of the agreement

European experience shows that the best way to motivate regulators to move ahead with the removal of technical barriers is a far-reaching agenda for harmonisation. Governments should explore ways to open the TBT agreement for moves in this direction. Final removal of all technical barriers can only be achieved by harmonising regulatory requirements, which serve to protect health, safety and the environment as well as other legitimate aims. Full-scale harmonisation on a global level is, however, not on the agenda, at least on the short and mid-term perspective. Therefore, European Industry favours a sectoral approach. Governments should explore ways to create a mechanism under the TBT agreement allowing for bilateral or multilateral initiatives to harmonise specific regulatory regimes in well-defined sectors. These agreements should, wherever possible, be limited to essential requirements, leaving the details to international standards.

European industry promotes SDoC as the preferred option for conformity assessment. Harmonised regulations should therefore refer to SDoC wherever possible.

European Industry highlights the work which is being done in existing international fora (IAF, ILAC) and asks the governments to promote better acceptance of their results.

Industry takes note that, in its Communication, the Commission proposes to consider the development of multilateral guidelines on labelling in general.

Insofar as environmental labels create technical barriers to trade, governments should explore the creation of a mechanism under the TBT agreement which can achieve full coherence with the relevant international standards of environmental labels administered by bodies responsible to the public. As to private labels, incentives for full compliance with the relevant international standards should be created. The “code of good practice” in Annex III of the TBT agreement can provide an example for this.

These goals can only be achieved by thorough and detailed negotiations. UNICE encourages governments to use the Seattle ministerial as a starting point. UNICE is prepared to give the necessary input and support.

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