

24 September 2010

## **BUSINESSEUROPE'S INTERVENTION AT THE EUROPEAN PARLIAMENT'S WORKSHOP ON THE GPSD AND MARKET SURVEILLANCE – 30 SEPTEMBER 2010**

### **ADDRESS BY ANNETTE DRAGSDAHL**

Members of Parliament, Ladies and Gentlemen,

Thank you very much to the organisers for inviting BUSINESSEUROPE to present its views at this workshop on the possible revision of the General Product Safety Directive and on Market Surveillance. Both issues deal with the concern of having safe products on the market.

And let there be no doubt: industry also wants safe products on the market. Here we believe that decision makers, authorities, citizens and industry have a common interest. We may not always opt for the same solutions - nevertheless it should be possible to reach the goal.

On the 1st of January this year the so-called Goods Package entered into force. BUSINESSEUROPE believes that the provisions on market surveillance and customs controls given in the Regulation will lead to more safe products for citizens – IF Member States fulfill *their* commitments. Talking about product safety it is important to understand that there are several links in the chain. Each link has a role to play. The system will not be stronger than each single link. Therefore, Members of Parliament must help put pressure on Member States to actually allocate sufficient resources for efficient market surveillance and ensure that the requirements are enforced and interpreted in the same way in all countries. Industry therefore also welcomes coordination and concrete initiatives from Brussels.

It is a fact that stricter rules, such as e.g. third party certification, will not provide safe products as such. All tests can be falsified. All certificates can be copied. The serious manufacturers who fulfill the rules just end up with more administration, more costs. Therefore, authorities must ensure efficient market surveillance and be committed to cooperation across borders.

Market surveillance of course can't do it all. The basic requirement is that the product actually – in the first place - fulfills the requirements set in legislation. Therefore, the rules must be clear and unambiguous. BUSINESSEUROPE welcomes the alignment of product directives with the framework provisions provided for in the Goods Package. This on-going alignment concerns products in the harmonised area.

So, do we need the alignment of the General Product Safety Directive with the provisions of the New Legislative Framework?

In BUSINESSEUROPE's view there is no urgency. On the contrary, we believe that it is first and foremost a question of better and more uniform use of the existing tools. It would also be appropriate to first gain some experience with the new requirements of the Goods Package. How do they work in practice? Here we especially think about the obligations of the economic operators and traceability. Furthermore, the GPSD actually served as inspiration for both the Regulation's provision on market surveillance and for the framework of the Decision.

In fact, the state of affairs is not too bad. The GPSD actually functions quite well. The number of RAPEX-notifications is increasing. This is due to higher awareness and focus on specific areas, such as e.g. textiles. So the tool is there!

Nevertheless, it is of course always sensible to consider whether the actual legislation functions at its best or whether it can be improved. The European Commission has come up with different suggestions for improvement of the GPSD and there has been a public on-line consultation.

BUSINESSEUROPE has responded to the consultation along the lines of today's contribution.

Business needs a coherent legislative framework. So, it is important when new legislation is introduced – or changes to existing legislation are made - that they are well thought through and impact assessments are carried out. There are other directives dealing with different aspects influencing product composition and design, e.g. requirements on chemical substances. Such directives should also be taken into account in order to ensure that requirements are coherent and uniform across borders.

BUSINESSEUROPE suggests that a comprehensive political vision for product legislation is developed: A vision that at the same time ensures safety and public interests as well as a competitive industry.

We need a stable legislative environment, i.e. requirements that are well known. But we also need to be able to act swiftly to emerging risks. Furthermore, business needs flexibility. Innovation is *the* key word these days. If too detailed technical product requirements are set, innovation is blocked.

BUSINESSEUROPE believes that today we have a good mix: The revised New Approach for product groups where essential requirements are needed, combined with the GPSD which serves as a safety net for harmonised product areas as an exception in cases of previously unknown or unforeseen risks. Furthermore, the GPSD serves as an umbrella setting the level of safety for product groups in the non-harmonised area. The use of standards in both areas helps manufacturers meet the expected level of safety and the specific requirements. Standards give guidance on the solutions in practice. In principle standards are – and should continue to be – voluntary.

The European Commission has suggested having a more rapid way of formulating mandates for European standards in connection with the GPSD and to be able to define more specific product related requirements. Defining mandates is however not a

process which should be speedy. A proper consultation of stakeholders is needed. A proper impact assessment is a must. *Mandates should not evolve into detailed, quasi mandatory product requirements.*

If and when a number of permanent requirements are needed for a whole group of products, BUSINESSEUROPE believes that the normal legislative procedure should be followed, i.e. to develop legislation under the New Legislative Framework. Comitology might prove to be at odds with the democratic balance and stakeholder involvement when it deals with more than just technical details.

Concerning a possible alignment with the obligations of economic operators, BUSINESSEUROPE advocates for proportionality. Please remember that the GPSD covers a very wide range of products in the non-harmonised area. The majority of these products are very simple products giving rise to no safety concerns. We're talking about pencils, note pads, clips and much more. Would it be reasonable to ask for both the manufacturers' and the importers' name and address on such products?

We need a flexible framework if we want it to accommodate all products. And when we talk about traceability, distributors have an important role to play. They must know where they bought a specific product and give this information to the market surveillance authorities on request. So, it is also for the GPSD a question of well defining the obligations of the different economic operators – without absolutely copying word for word the framework Decision of the Goods Package.

In conclusion I would like to briefly sum up the recommendations from BUSINESSEUROPE:

We advocate for:

- Efficient and uniform market surveillance
- A stable and coherent legislative framework
- No urgency for revision of the GPSD
- If aligned with the NLF: flexibility and proportionality must be key words
- For setting permanent product requirements, business prefers a democratic and transparent procedure, involving all stakeholders

Thank you for your attention!

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