



GOODS IN EUROPE – the way forward

THE IMPORTANCE OF GOODS FOR EUROPE

- The single market for goods has contributed significantly to economic growth and consumer welfare in the EU.
- Approximately 25% of the EU-27 GDP is generated by the goods sector. Intra-EU trade of goods represents 75% of intra-EU trade flows. It increased at an annual rate of 7.6% between 1999 and 2007. The EU is also the largest exporter of goods, with a 16.2% share of global exports.
- The free movement of goods is the most developed of the four ‘freedoms’ but there is still untapped potential that must be fully realised. In order to boost growth and job creation it is essential to fully dismantle remaining barriers and for legislators to refrain from creating new ones.

RECOMMENDATIONS

- 1 Remove remaining obstacles to the free movement of goods:** Certain barriers should be addressed decisively, such as:
 - National requirements on the product or on the testing and/or documentation, such as mandatory registers, which can have the effect of excluding new products from the EU market (better enforcement of the mutual recognition principle is needed).
 - Overly complex legislation and fragmented application of regulatory requirements across the Single Market.
 - Politicising certain standards in a way that is not compatible with market needs.
 - The lack of effective fast-track appeal procedures at European level to give companies the possibility to challenge decisions by authorities.
- 2 Smart regulation must become a reality and priority in the future development of the single market for goods.** It is essential that all EU actions lead to simpler and less costly framework conditions for European companies enabling them to boost their competitiveness globally. Goods must conform to the single market’s regulatory requirements but adding more pre market requirements is unacceptable and it will not lead to safer products on the



market. Using better regulation tools (e.g. impact assessments) early in the process is vital whilst assuring effective stakeholder involvement.

Taking a smart approach to regulation will enhance growth and investment. The EU should avoid legislative proposals with a disproportionate impact on competitiveness that add no real value to the single market and growth. The final result must be a simple, clear, stable and predictable regulatory framework. Regulatory stability is also important as constant changes to product rules means supplementary costs and uncertainty in the market.

3 Boost the commitment and political willingness for an effective market surveillance system in Europe. A more concerted and determined market surveillance effort across the entire Union will help keep non-compliant products off the market. Improving cross-border cooperation, including with third countries, as well as strengthening controls at external borders is the key to making market surveillance more effective. This all entails adequate resources, good organisation, suitable facilities and skilled officers benefiting from high quality training. At present too much emphasis is being put on adding more and more obligations on companies. This is disproportionate and not effective.

4 A more realistic and balanced approach to risk. While there are merits in taking a precautionary and proportional approach on products or technologies that are new and of uncertain impact in terms of risk management, the use of the precautionary principle must not be exaggerated and it should be balanced with an innovation principle. Any risk related regulatory measures should reflect the state of science and evidence and should not be based on mere risk avoidance, while taking into consideration the benefits to social and economic welfare.

5 Good quality and market-relevant standards. Standards play a central role in the delivery of a prosperous single market. Of the many types of European standards, about 20% support the regulatory framework by providing presumption of conformity with Directives in major industrial areas under the 'New Approach' policy. The use of standards must remain voluntary and their development must be open to all stakeholders, including authorities where applicable for policies or regulations. Decisions on granting presumption of conformity with essential requirements of harmonized directives must be taken realistically and without unnecessarily demanding changes to internationally developed and accepted state-of-the-art standards.

6 Taking into account the international dimension. As European business operates in a wider market, the single market for goods is a critical factor for the promotion of European companies' global competitiveness. In this context, it is essential to assess the impact of EU actions in the area of goods on international trade and to enhance regulatory cooperation. The overall goal of European business is to achieve global market access on the basis of 'one standard, one test, accepted everywhere'.

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