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CEOC - EUROLAB – IFIA INTERNATIONAL SAFETY SEMINAR 2014 'HOW SAFE DO YOU THINK YOU ARE? WHY INDEPENDENT TESTING IS IMPORTANT.'

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**'Product safety from a global manufacturers point of view' Annette
Dragsdahl, BUSINESSEUROPE (20 minutes)**

Good afternoon, Ladies and Gentlemen. What a pleasure it is to be here at the: 'CEOC - EUROLAB – IFIA International Safety Seminar' and to be able to speak to you today on behalf of BUSINESSEUROPE. I would like to thank the organisers for this invitation.

Product safety is often referred to from the point of view of the consumer – which also appears from the heading of this session. However, I would like to focus on product safety and testing from a global manufacturer's point of view.

Let it be clear. Manufacturers (companies), wish for there to be safe products on the market. Enhancing consumer trust naturally makes good business sense. Safer products lead to enhanced sales. Companies benefit from a general trust in products. In fact, dangerous or counterfeit products that enter supply chains damage the entire market place. Not just the name of that specific product. This has a long lasting effect on consumer confidence. So, manufacturers and consumers have the same interest in having only safe products on the market!

The EU's market has experienced an increase of goods that are the result of globally distributed supply chains. Similarly, products produced within the EU are for global, not local markets. This international context is the one in which product safety should be viewed.



I wish to focus on three themes to be taken into account when determining product safety framework: **Proportionality**, **Enforcement** and **Equality**. I will then conclude with some remarks on the importance of correct certification measures in an international market place.

But first I turn to the importance of proportionality.

Proportionality

When driving here today you followed rules to avoid causing traffic casualties. However, these rules caused your time of travel to be longer than you could have actually managed. This is acceptable. It is acceptable because we agree that following these rules in turn for saving loss of life or serious injury is proportionate. But no citizen would accept a ban on car travel to limit all risk of traffic accidents to zero. This measure of price for return is too high.

As I have already highlighted, for business, safety is a **MUST**. But measures to achieve safety should be proportionate and effective. Further pre-market measures will not make products safer. Instead they risk driving costs up for companies without adding value to create a safer market place. This is of great concern. Strict obligations for companies will not rectify the situation. A proportional approach to risk will discourage rogue operators, while at the same time, encourage honest operators to bring safe products to market.

In recent years we have seen a growing tendency to overshoot safety. This is due to the immediate visible short term benefit of improving safety over the long term sacrifice which it should be measured against. We must limit adding extra burdens for companies to adhere to requirements that do not add anything relevant in regard to safety.

Globally, safety and what is seen as a proportional measure to achieve it differs. This is apparent from our cultural differences towards risk. This can also be affected by



wealth, for example, a nation with more wealth will have more funds to invest in a safer life for its citizens. We feel that a low cost uniform set of safety requirements would be globally efficient. For example, one specification, one test, applied everywhere.

It is a fact that physically, we have the same needs for safety... the big issue is to find the right level of safety.

But industry understands the reality: this optimum of safety is a political choice. To this end we see politicians as the stepping-stone toward global uniformity. Therefore we encourage international political discussion to determine the correct level of safety and convergence of legal frameworks.

Until this takes place, we remind politicians that the consumer has the responsibility to use products as they are intended to be used, and consumers carry the ability to use common sense. Even the safest products can be abused.

We have probably all heard the statement: 'If everything else fails... read the instructions...' However, sadly enough, this approach often proves to be fatal.

Now I would like to turn to enforcement.

Enforcement

At no further cost, a more concerted effort towards enforcement of current rules, instead of creating new ones has the genuine ability to improve safety of products in Europe.

This can be achieved through a better functioning level of market surveillance. This requires well trained officers, suitable facilities and good organisation. We understand that national market authorities' resources are stretched, but urge for a greater political push in regard to obtaining higher funding for this sector. This should be an important societal interest for member states, not an expense for the private sector that already



funds the system through ensuring product compliance. In this vein, we support a single legal basis for the market surveillance of all products in Europe.

Internationally, customs and market surveillance authorities should cooperate between nations in order to find abusers of the system and to take their products off the market. This competence sharing will allow information to flow freely and will be decisive in stopping dangerous products entering global supply chains. Eventually cooperation will help align enforcement practices across boundaries. The whole international enforcement system can in turn grow efficient together.

Surveillance of products placed on the market is, in fact, the only way to find and to stop rogue traders and counterfeiting!

I would now like to turn to the importance of equality when competing internationally.

Equality

For companies to compete internationally, a level field between domestic and foreign companies needs to be commonly shared. For example, a trustworthy company would suffer a cost disadvantage when operating in a market where those ignoring rules are left untouched. These rogue companies use unsafe products to gain market share. This is unfair and against the intention of product safety law. Rules on safety standards and ways to achieve safety should apply equally across borders and between companies. Treating foreign or local companies differently cannot be tolerated.

This is why cross border cooperation on market surveillance is a must!

Third party testing

Now let me conclude in expressing the importance of third party testing as well as the influence that third party testing has on the free movement of goods and global acceptance.



The role played by third party testing, inspection and certification services help manufacturers ensure public interest is adhered to when producing products presenting a risk. It is your specialised services that ensure an independent conformity assessment is carried out *when necessary*. And it is these words, *when necessary* that I wish you to take away today.

When deemed *necessary*, the procedure for certification should always remain relative. For products that pose a greater risk, a heavier certification procedure should apply. For products that still need a third party conformity assessment, but pose less of a risk, simpler procedures of certification should apply. This relative thinking will aid efficiency of the procedure to certify products, *when necessary*.

As you know in Europe, third party testing and certification is a requirement in some product areas, whereas in others we have the so-called 'internal design control' based on the manufacturer's own risk assessment, or on the assessment made in European or international standards. This method has proven to work in Europe as the single market has grown over the past decades. This approach should also be encouraged on an international scale.

Likewise, '*when necessary*' means that mutual recognition of tests and certifications should replace the laborious process of carrying out multiple procedures in each country the product is sold in. Here, globally aligned certification schemes and common standards have their role to play. This will make conformity assessment more efficient while offering a safe market place for the consumer.

I have just come back from a trip to the US at the occasion of a workshop organised by OSHA. The objective was to discuss a possible change of existing approval procedures of recognised test laboratories. In this context I would stress that the interest of business on this issue is to aim at an approach which would help find solutions of approximation of the US and European systems to the benefit of TTIP negotiations.



Frankly, I must admit that I was surprised to learn how far the American system is from the European idea of mutual recognition. Competition rules 'over there'! But competition is not a guarantee for quality!

The workshop however also proved to me that American and European manufacturers both need quality testing and quality certification PLUS mutual recognition of the test reports.

Multiple testing and certification is not the solution for safer products, it's just a direct road for more fraud for those wanting to take the risks. We have come far in Europe with the CE-marking replacing the wide use of different national certification marks. BUT we still have some way to go for mutual recognition of test reports etc.

So, let me end by expressing this plea to you: Testing and certification is a service to industry. Industry does not need multiple testing and certification. So **start trusting each other's** competence by recognising what has already been tested, often according to the same standards. This will make certification accessible for even more manufacturers and thus help safety.

You have an important role to play in ensuring market access of safe products at proportional costs.

I thank you for your time.