

# A major threat for European Standardization

## Why the European Standardization System must not be changed

Decentrally organized European standardization is an important factor for success, facilitating market access for companies, promoting innovation and reducing bureaucracy.

- In the last twenty years the national standards organizations have harmonized their standards collections, reducing the number of standards from approximately 150,000 to 18,000.
- Privately organized standardization relieves the state of its regulatory burden, with manufacturers, business associations, testing institutes, consumer protection associations and the research world working together to develop technical solutions enabling compliance with the European Directives (the “New Approach”).
- Uniform European Standards are a cornerstone of the Internal Market; they facilitate access to markets for small and medium-sized enterprises, reduce market access costs by laying down uniform test procedures, and increase the size of the procurement marketplace for components.
- According to a study carried out by Roland Berger, the annual cost of European standardization is about 700 million euros. The European Commission and EFTA fund around 2 % of these costs, while 93 % is covered by industry and other stakeholders in standardization.

The European Commission (DG Enterprise) is suggesting options for changing the European standardization system which include the demand for standards to be provided free of charge. This call threatens a successful system of economic self-regulation! At present, 72 % of the costs of the standards work carried out by DIN (2009 budget: 61 million euros) is financed from DIN's own income. Most of this is from the sale of standards. This model ensures the cost of standardization is shared by a wide circle. All those who use standards and benefit from them contribute to standardization.

The cost to individual companies is small: companies with less than 500 employees only spend around 1,000 euros on their standards collections. Those who call for free standards must realize they are putting at risk a system that functions well. What would the alternatives be?

- ☛ A massive increase in membership fees and project contributions!  
This certainly would not be in the interest of small businesses, as it would present a major obstacle to participation in standards work.
- ☛ Public financing of standards work!  
This would mean the end of a model – that of standardization supported by private industry – which has proven successful over many decades.
- ☛ A significant reduction in National Standards Body's services!  
For instance, DIN would no longer be able to head CEN and ISO committee secretariats. This would mean that the European economy would be at a disadvantage over the medium term compared with countries such as the US and China, who have declared an intention to go in the opposite direction.

## Request to European political leaders:

We should like to request you to stand up in favour of retaining the present system of standardization, which is a successful public-private partnership between standardization and the state:

- **The proposals contained in the Council's "Conclusions on standardization and innovation" of 25 September 2008 are welcome and must be accompanied by political action.** Improving cooperation between research and standardization helps turn technological innovations into marketable products. Efforts must continue to improve the incorporation of SMEs in standards work.
- **There must be no yielding to populist demands for standards to be made available free of charge.** The sale of standards supports the entire European standardization system. By purchasing standards, all who use standards contribute towards the cost of their development. The cost to small businesses for acquiring and updating their collections of standards is small (approx. 1,000 euros per year).
- **The taxpayer must not pay for European standardization.** Currently, the European Commission and EFTA provide for 2% of European standardization's costs. 93 % is covered by industry and other stakeholders in standardization. In other words, those who benefit from standards pay the cost. (Polls in German industry show that enterprises prefer to pay for standardization by buying standards to any other form of financing the system, including tax money.)
- **Europe's decentralized standardization system with strong national standard organizations must remain in place.** National organizations facilitate KMU and NGO involvement in the standards process. Consensus discussions can be held in experts' own national languages.
- **The public-private partnership between privately organized standardization and the state has been shown to work well and must be retained.** Private industry uses standardization for self-regulation. Experts from business and the research community continually update standards, so that these always reflect the state-of-the-art. Standards also encourage the marketability of innovations.

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