

Weighing instrument needs harmonised market for reverification services

CECIP survey: Fragmented rules cost industry over 6 million euro per year

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The EU Single Market for goods and services is one of the key pillars of the European cooperation. It brings major benefits to industries such as the European weighing industry. CECIP, the European weighing industry association, welcomes the EU Single Market and calls on EU decision maker to strengthen it further.

At the moment, weighing instruments covered by EU legislation have to meet one set of requirements to be allowed to be placed on the EU market. Additionally, they only need to follow one conformity assessment for metrology requirements instead of a different one in each country. Consequently, intra-EU trade is made simpler for manufacturers of weighing instruments when placing instruments on the market.

After weighing instruments are placed on the market, they are also reverified periodically or after being repaired. This is done to guarantee the weighing instrument remains accurate and reliable during its lifetime. To ensure the quality of these reverifications, legislation is in place to set specific rules. However, the requirements for reverifications are different in each EU Member State. The market for services in the weighing industry is highly fragmented. Service providers need to get different authorisations in each Member State to carry out the reverifications and the procedures for reverifications differ depending on the type of instrument and the country. The European weighing industry is strongly convinced further harmonisation will be beneficial for the competitiveness of the European industry and innovation. As mentioned in the Strategic Agenda 2019-2024 set by the European Council, the EU cannot afford to under-utilise the Single Market, particularly in the area of services.

Competitive weighing industry needs harmonisation

The European weighing industry is at the moment world leader producing high-quality weighing instruments that are sold all over the world. To remain competitive, it is important that reverification requirements are harmonised. First of all, fragmentation means high unnecessary costs for the industry to be compliant with all different requirements regarding audits, legal metrology and administration. Unnecessary costs as most differences have no impact on the quality of the reverifications.

Secondly, it hampers innovation. Digital innovations are changing the weighing industry and in the near future might impact reverifications as well. To promote these digital innovations and reap the full benefits it is vital that there is one European Single Market for goods and services.

Moreover, harmonisation is key to create a level playing field in Europe. Larger multinationals can bear the costs of following legislation in all EU Member States. However, for SMEs this is often impossible or too costly making them not active on many markets.

Non-harmonisation creates significant barriers

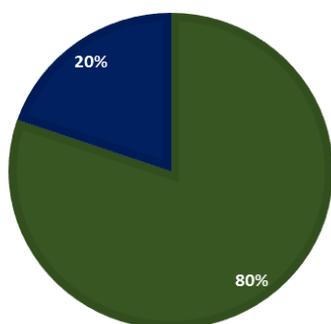
To get an idea of the potential of harmonisation of requirements, CECIP carried out a survey amongst its members. 60 companies from 9 countries responded to the survey, from micro-enterprises to multinational companies.

A first conclusion is that the EU Single Market for weighing instruments functions well when it comes to placing products on the market. To draw conclusions based on the survey results we extrapolated the survey results based on the size of the company.

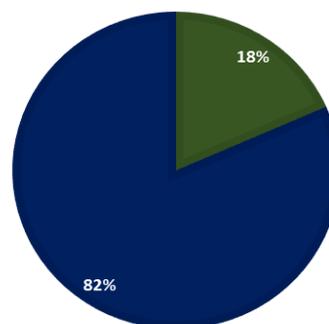
For small, medium and large companies over 80% of the companies sell products abroad. Only for micro-enterprises with less than 10 employees this is only 40%. Moreover, from the small, medium and larger companies two-thirds also carries out services abroad such as installation, repairs and maintenance. Even though this is less for micro-enterprises, still around 50% of the companies carry out these services. These high percentages show that there is a European market for products and services.

However, it is different for official periodic reverifications and reverifications after repairing a weighing instrument. It is estimated that only 18% of the small, medium and large companies carry out these official reverifications. This means that around half of these European companies sells their products abroad, repairs instruments and maintains them, but does not carry out the reverifications abroad.

SMALL, MEDIUM AND LARGE COMPANIES SELLING PRODUCTS ABROAD



SMALL, MEDIUM AND LARGE COMPANIES CARRYING OUT OFFICIAL REVERIFICATIONS



■ Yes
■ No

Naturally, a certain percentage of these companies is not interested as other departments of the same company are active in the other markets or the companies are too small. Therefore, the survey investigated this as well and this leaves around 50% of all European companies that are interested, but not carry out the official reverifications. In total this means that the activities from 500-600 companies are limited due to EU legislation. On top of that there are companies that are active in less markets than preferred due to the barriers to trade.

When asked what are the main barriers to trade two answers are mentioned the most:

- Different reverification rules in each country (75%)
- Obtaining a new authorisation for reverification in each country (73%)

Language differences and distances are only mentioned by respectively 11% and 22%.

Based on this data it can be concluded that a large number of companies does not carry out official reverifications due to fragmented legislation with respect to reverification rules and obtaining authorisations.

Fragmented markets costs weighing industry over 6 million euro per year

Despite the trade barriers 18% of the companies in the weighing industry carry out reverifications abroad. Consequently, these companies have costs to overcome the hurdles to be active in other EU markets. Costs are related to audits that need to be carried out in each country, costs for legal metrology experts that need to follow legislation in each country separately and costs to deal with administrative requirements since different documents need to be prepared in each country. Part of the CECIP survey aimed at identifying the costs due to non-harmonised requirements. Based on the survey CECIP estimates that the different rules and procedures costs the total industry over 6 million euro per year¹. For a relatively small industry such as the weighing industry this is a significant amount. Costs that can be saved by harmonising the requirements at EU level.

What is needed to save costs and embrace the EU single market?

Harmonise authorisations for reverifications

One of the costliest aspects of being active in other countries is the audit that needs to be carried out to be allowed to do the reverification. CECIP understands the need for an audit and obtaining the authorisations, but most of the audits and authorisations are (relatively) similar to each other adding no

¹ Considering this is sensitive data, we don't publish the detailed calculations. They are available at request.

extra value. They only create another cumbersome and costly barrier to trade without improving the quality.

According to CECIP it should be possible to obtain one authorisation with one audit to carry out reverification in all EU Member States that allow private companies to carry out official reverifications. A company can get an authorisation in Belgium and should be able to carry out a reverification in Italy without any extra audit or difficult administrative procedures. A good example is new Danish legislation where authorisations from other EU Member States are accepted. Consequently, it can be arranged by having one European authorisation recognized by all Member States or by a full mutual recognition of reverification authorisations.

Harmonise reverification requirements

The tests that are carried out during reverifications are set in national legislation. Often, they are based on OIML (International Organisation of Legal Metrology) Recommendations and relatively similar to each other. However, small differences exist or OIML Recommendations are not transposed in all countries for all types of equipment. Following the legislation in each country is complicated for smaller companies and costly for larger ones. Therefore, CECIP calls on the EU to develop one regulation that stipulates the tests for all types of equipment in all EU Member States. Considering most of the tests are already developed by OIML this should be a simple exercise.

Conclusions

Harmonising the requirements for placing weighing instruments on the EU market results in major benefits for the European weighing industry. As a next step CECIP believes it is necessary to work on one European market for reverification services. This will encourage innovation, improve the competitiveness of the European weighing industry and will create a level playing-field. Therefore, CECIP calls on the EU decision makers to initiate actions to further harmonise the requirements for reverification services.