

30 years of the single market: The role of standards in SME growth



Single market benefits: EU trade and SMEs



The creation of the single market in 1993 multiplied opportunities for Small and Medium-sized Enterprises (SMEs). The single market facilitates the free movement of goods, services, capital, and people across the European Economic Area (EEA). This is the EU Member States, Norway, Iceland, Liechtenstein and, to a certain extent, Switzerland¹. By effectively erasing internal borders, it provides businesses, including SMEs, access to almost 450 million consumers.

In 2019, the European Commission estimated that, mainly due to the removal of tariff and non tariff barriers to trade, the EU Gross Domestic Product (GDP) was between 8% and 9% higher than if the single market did not exist. Furthermore, in 2020, the European Central Bank calculated that the single market has raised real GDP per capita by between 12% and 22% since its inception².

Cross-border activities within the EU kept on growing since 2002 and the entry into force of the euro as a single currency³. Entrepreneurs across the EU have been increasingly entitled to sell their products in other Member States thanks to the single market, the absence of customs duties, and the existence of common European standards.

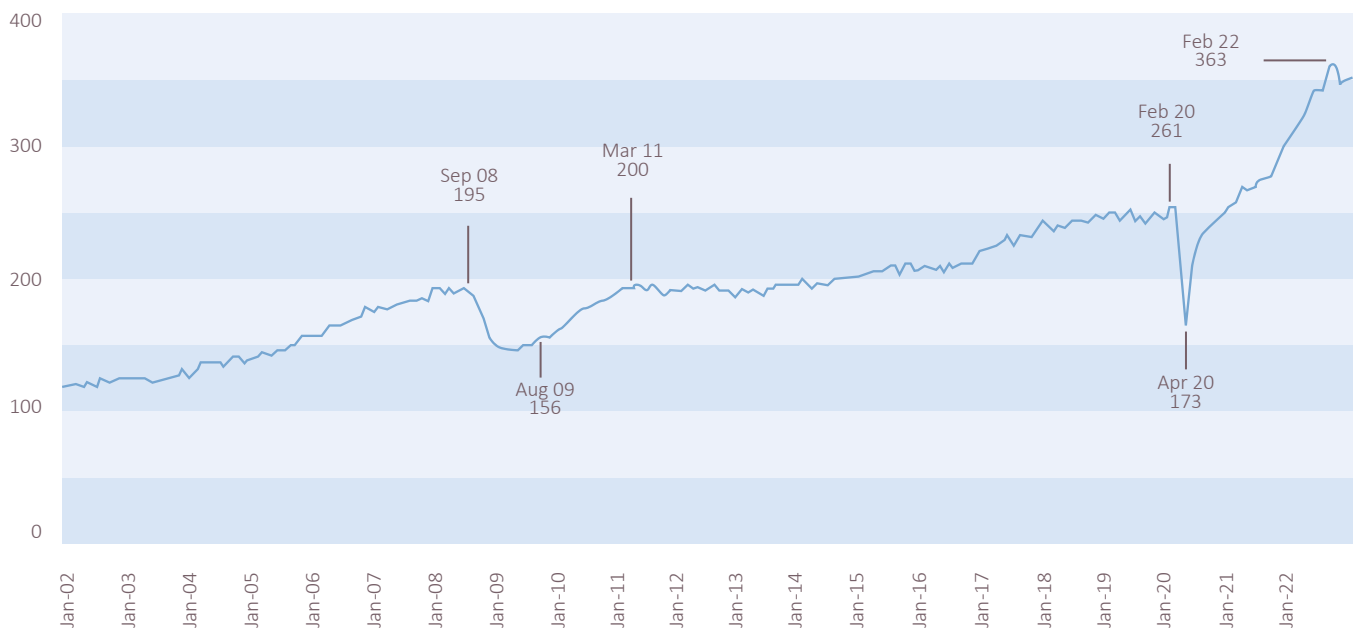


¹ The European Economic Area (EEA) is an international agreement which allows for the extension of the European Union's (EU) single market to non-EU member countries. The EEA includes the EU member states plus three of the four member states of the European Free Trade Association (EFTA): Norway, Iceland, and Liechtenstein. Switzerland, the fourth EFTA member, is not part of the EEA, but it has bilateral agreements with the EU that give it partial access to the single market.

² <https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2392~83000b6b14.en.pdf>

³ Low peaks in 2009 due to financial crisis – in 2020 due to coronavirus pandemic

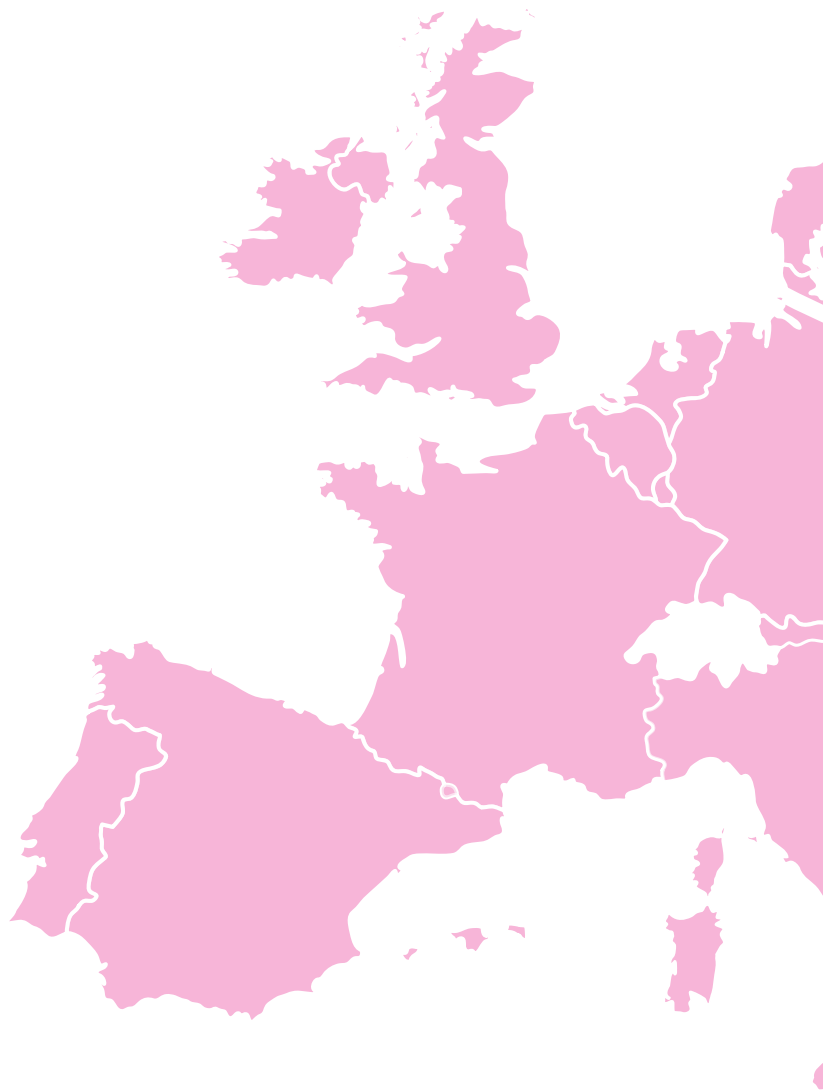
Intra EU export of goods, January 2002 - December 2022 (€ billion, seasonally adjusted data)



The single market evolution

The “New Approach” was introduced in the 1980s and was a revolutionary way of creating European technical legislation. Before the “New Approach”, European legislation was characterised by being highly detailed and prescriptive regarding technical specifications for products. The consequence was a particularly slow and cumbersome process. Moreover, given the rapid pace of technological advancements and the diverse range of products entering the market, there was a significant risk that such detailed legislation would quickly become obsolete.

Instead of detailing every technical specification in the law, under the “New Approach” directives the legislator sets out essential health, safety and environmental protection requirements that products placed on the single market must meet. The specifics of how to meet these requirements are then detailed in “harmonised standards” developed by the European standardisation

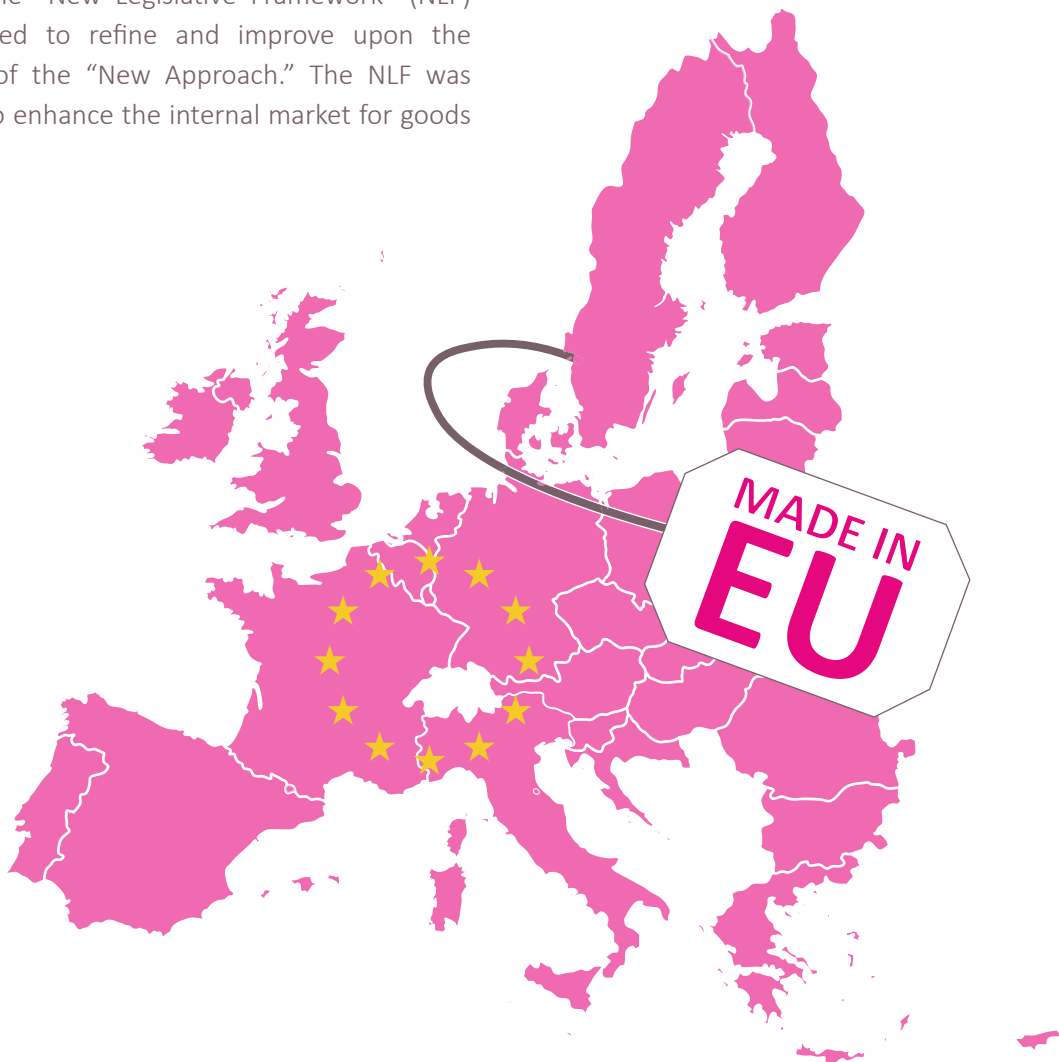


organisation (CEN, CENELEC and ETSI) following a request from the European Commission to one of these organisations.

The use of harmonised standards is in general voluntary but when businesses use harmonised standards to design and manufacture their products, they benefit from a “presumption of conformity.” This means that by adhering to these standards, their products are presumed to meet the essential requirements set out in the relevant European legislation and be placed in the single market.

In 2008, the “New Legislative Framework” (NLF) was adopted to refine and improve upon the principles of the “New Approach.” The NLF was designed to enhance the internal market for goods

and strengthen the conditions for placing a wide range of products on the EU market. It introduced clearer rules for market surveillance, accreditation of conformity assessment bodies, and the use of the CE marking, among other things. Moreover, the 2019 Regulation on market surveillance refines and complements the NLF by introducing more detailed provisions for market surveillance and controls of products entering the EU market. It aims to strengthen the enforcement of EU product rules, ensuring that products, whether produced in the EU or imported from third countries, comply with EU legislation.



The growing use of standards in support of EU legislation was accompanied by the development of a corresponding regulatory framework. Directive 98/34/EC established a procedure for providing information in the field of technical standards and regulations. It aimed to prevent the creation of new technical barriers to trade within the EU. Before a Member State could introduce a new technical regulation, it had to notify the European Commission to ensure that the proposed rule would not conflict with existing or upcoming European standards or regulations.



This directive played a crucial role in ensuring the smooth functioning of the internal market. Regulation 1025/2012 on European Standardisation replaced certain aspects of Directive 98/34 and aimed to modernise and improve the framework for producing harmonised standards. The regulation emphasises the importance of standards as voluntary tools for supporting EU policies and legislation, ensuring interoperability, and fostering innovation. It also emphasises that the European standardisation system should be inclusive, ensuring that all relevant stakeholders, including SMEs and societal stakeholders, participate in the standards-setting process.

CE MARKING

The CE marking indicates that a product meets all the applicable EU legal requirements and that can be legally sold in the European Economic Area and Turkey. Not all products must have CE marking. It is compulsory only when established in the relevant European legislation covering the product. It is forbidden to affix CE marking to other products.

By affixing the CE marking on a product, a manufacturer is declaring, on his sole responsibility, conformity with all the legal requirements to achieve CE marking. Harmonised European standards support manufacturers and conformity assessment bodies to assess the compliance of a product with the essential requirements of EU legislation. Harmonised standards provide a presumption of conformity with the essential requirements of the EU legislation they cover.

The New Approach

Instead of legislating all necessary technical and administrative requirements, from now on, technical specifications needed for the production and placing on the market of products are entrusted to standardisation organisations.

First 'Blue Guide' for implementing product rules

The Blue Guide is a non-binding instrument to ensure the broadest possible understanding of product rules and to assist their implementation. It was last updated in 2022.

1998

2000

1993

1985

First Directive on the procedure of standardisation

The Directive ensured that national standards and technical regulations do not create new trade barriers through sharing information about planned standards and allowing other Member States to assess them.

Single market is established

The Single European Act of 1987 sets out the accomplishment of the internal market on 1st January 1993 upon removal of the barriers listed in a 1985 white paper by the Commission.

New Regulation on market surveillance

The Regulation improves and modernises market surveillance. It applies to 70 EU regulations and directives related to non-food products.

An EU Strategy on Standardisation

The strategy outlines efforts to strengthen the collaboration and the exchange of information between the Commission and private and academic research, as well as national and European standardisation bodies.

2008

2012

2019

2022

Standardisation Regulation

The Regulation on European standardisation further enables the Commission to request the three European standard setting organisations CEN, CENELEC and ETSI to define standards in support of European policies and legislation.

'New Legislative Framework'

The New Legislative Framework sets out – among other things - the requirements for accreditation and the market surveillance of products.

The role of European and harmonised standards



European standards have been a major contributor to the success of the single market. A European Standard (EN) is implemented at the national level by being given the status of a national standard and by the withdrawal of any conflicting national standard, ensuring a consistent set of technical specifications across the entire EU (and beyond)⁴. These standards are therefore crucial for the single market as they facilitate the free movement of goods and services and create a level playing field for businesses, allowing them to operate and compete fairly across the EU.

“Harmonised standards” are a specific subset of European standards developed by one or more European standards organisations (CEN, CENELEC or ETSI) following a standardisation request from the European Commission to support the implementation of European Union (EU) legislation. Their primary role is to help manufacturers SMEs, and other economic operators demonstrate that their products, services, or processes comply with

⁴Once adopted European standards need to be implemented by the 34 National Standards Bodies members of CEN and CENELEC. These include Iceland, Norway, the Republic of North Macedonia, Serbia, Switzerland, Turkey and the UK, which are accepted in 34 different countries, making it easier for manufacturers to sell their products outside of their national borders.

relevant EU legislation. Once developed, the references of these harmonised standards are published in the Official Journal of the European Union (OJEU). In each harmonised standard, an annex explains the relationship between its requirements and the requirements of EU legislation. While the use of these standards remains voluntary, using harmonised standards provides a presumption of conformity with the essential requirements of the corresponding European legislation (regulation or directive). Manufacturers are always free to choose another form of proof that they meet the requirements, but the use of harmonised standards eases the process and facilitates cross-border activities for companies and SMEs in particular. Approximately 20% of the standards developed by CEN, CENELEC, and ETSI, are harmonised standards that support specific EU legislation.

Both European standards in general and European harmonised standards are fundamental pillars supporting the architecture of the single market and helping SMEs to benefit from it.

What is a standard?

It is a document providing requirements, specifications, guidelines or characteristics that can be used to ensure that materials, products, processes and services are fit for purpose. Standards help to ensure that products and services are safe, reliable and of good quality. It is a consensus-built, repeatable way of doing something. Standards are created by bringing together all interested parties such as manufacturers, consumers and regulators of a particular material, product, process or service. All parties benefit from standardisation through increased product safety and quality as well as lower transaction costs and prices.

Why should SMEs use standards?

Through the use of standards, SMEs can become more competitive:

1. By running businesses more efficiently



Easing compliance with legal requirements and benefit from a presumption of conformity to the corresponding legislation



Ensuring interoperability between different products, thus broadening their choice of suppliers



Reducing waste and increasing efficiency & boosting profitability



Managing risk, environmental, social and economic impacts

2. By improving products, services and processes



Achieving professional operations and ensuring high quality



Guaranteeing the health and safety of consumers and users



Building trust and enhancing customer service and satisfaction



Offering compatibility & interoperability to your clients

How standards can support SMEs tackling the digital and green transition



To remain competitive in the market, SMEs have to face the challenge of digitalisation. At the same time, the climate crisis and current policies require businesses to be more environmentally friendly. The adoption of new digital technologies and green approaches can represent a challenge for many SMEs but they also open up opportunities to improve productivity and efficiency and for the adoption of more sustainable business practices and models that can also help SMEs increase their market share and capture new markets.

Standards can support this transition by:

Supporting eco-design and resource efficiency

SMEs can rely on standards providing test and assessment methods and metrics on different aspects such as durability, reparability or energy efficiency to assess whether products comply with eco-design requirements and obtain comparable information. Standards can also provide guidance on best practices and provide a framework for SMEs to integrate environmental aspects into their daily operations.

Supporting the use of secondary raw materials

Standards can define the quality, composition, and processing methods for secondary raw materials, ensuring they meet the requirements for specific applications, thus promoting reuse and recycling.

Supporting interoperability

European standards ensure that digital systems, devices, and platforms can seamlessly interact with each other. This interoperability is vital for the digital transition, as it enables the integration of various digital technologies, from IoT devices to cloud platforms, ensuring a cohesive digital ecosystem.

Supporting the use of innovative technologies and products

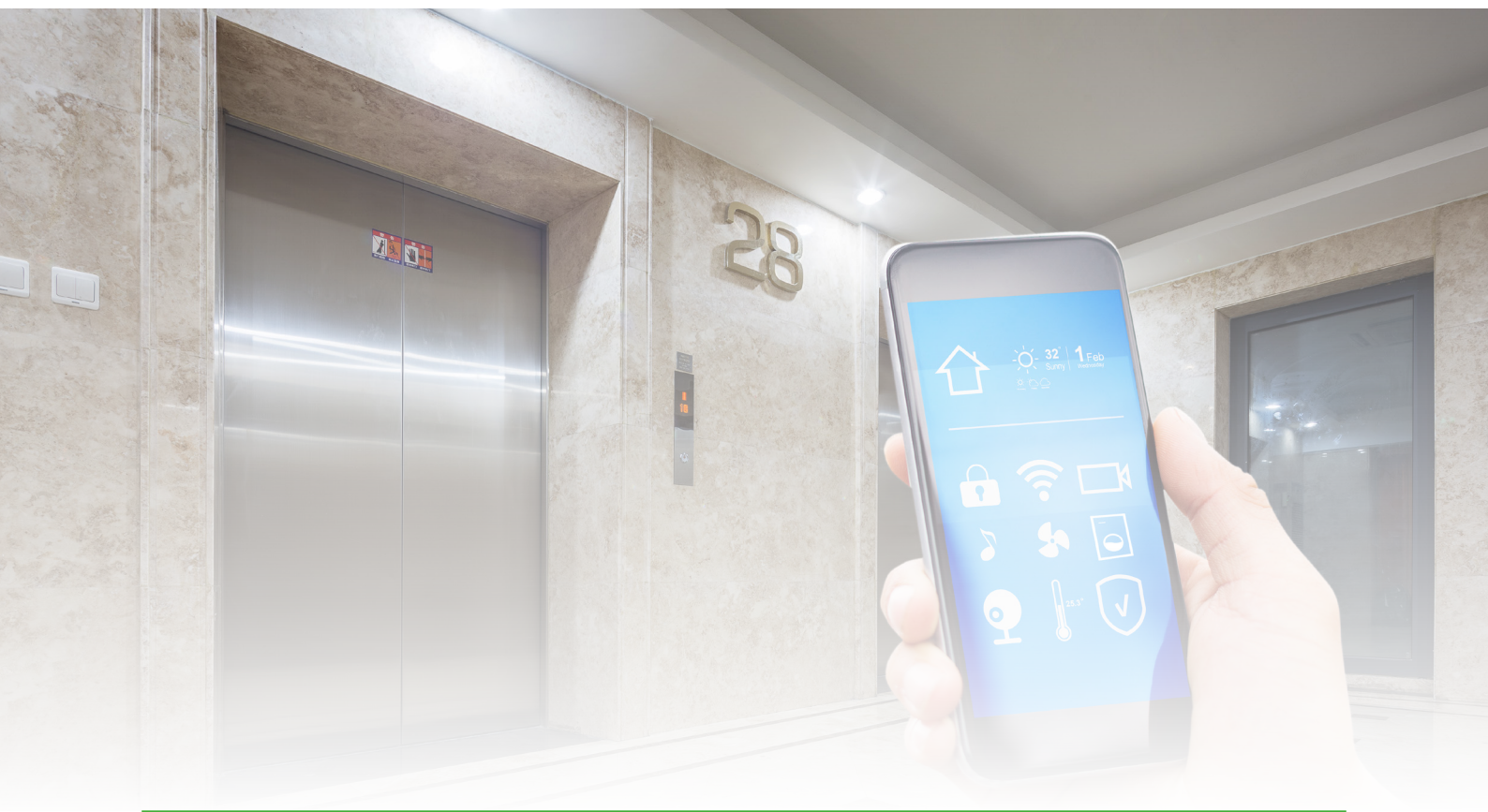
European standards can support the uptake of new digital and green technologies (i.e., renewable energy sources, artificial intelligence, blockchain, IoT) and products by ensuring their broad access, safety, reliability and performance

Standards and digitalisation in the lift sector



Digital transformation is becoming essential for businesses to remain competitive, regardless of their industry or size. The Internet of Things (IoT) – which involves connecting any device to the Internet and to other connected devices to generate and exchange data – opens doors to innovative business models, innovative products, and value-added services like predictive maintenance and remote diagnostics.

The TRE-E consortium was founded in July 2013 by 18 Italian SMEs working in the lift sector from several points of view and taking care of different stages of a lift's life from design and installation to maintenance. The consortium brings together a lot of different expertise, and a fleet of lifts ranging from historical installations to state-of-the-art systems, a true snapshot of the Italian market.



In this context, the involvement of the TRE-E consortium in the development of ETSI TR 103.546 “Requirements and feasibility study for Smart Lifts in IoT” and ETSI TS 103.735 “Smart Lifts IoT system”, with the support of SBS and EFESME (European Federation for Elevator Small and Medium sized Enterprises), was a turning point for the activities of the lift SMEs involved. These technical specifications have proved to be a crucial element in employing and making the most of the potential

of the consortium and its lift SMEs, especially with regard to digitalisation and its potential uses in the sector. They have enabled the SMEs in the consortium to classify and share a whole series of data, information, and technical details in a uniform manner common to all the members’ installations and lifts, which are often very different from each other in many respects.



“

I’m actively involved in creating the Smart Lifts standard, aiming for an open, standardised IoT application for our industry that’s user-friendly for SMEs. While standardisation can be complex, our positive experiences with the TRE-E consortium highlight its importance. With support from associations like SBS and EFESME, we’re committed to developing SME-friendly European standards and helping SMEs recognize their value in everyday operations.

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Marco Cogliati, TRE-E project manager and SBS expert in ETSI Smart M2M

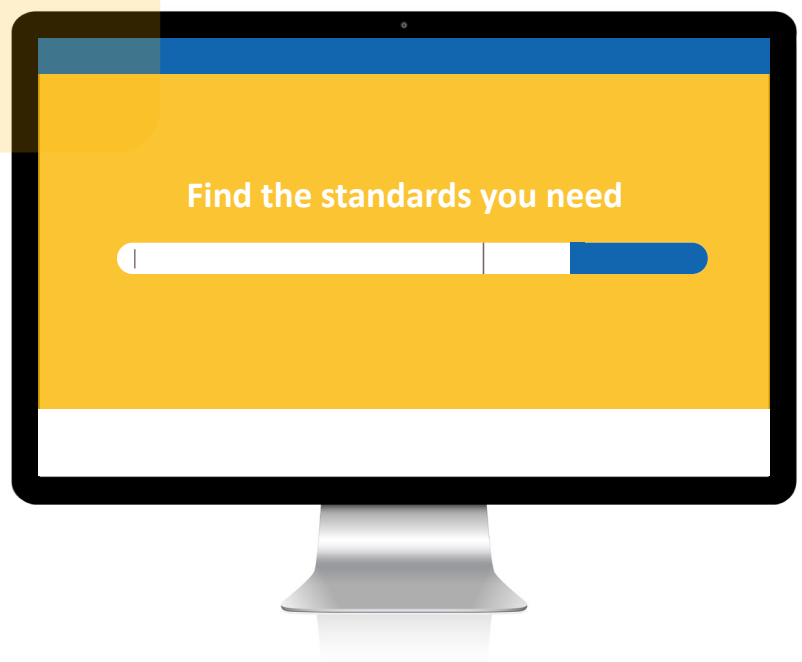
Where to find information

Look for European and international standards in your field of interest

SBS has developed a website to help monitor European and international standardisation developments on certain SME priority topics and sectors: www.sbs-sme.eu/monitoring-standards

Most European and international standardisation organisations have search engines where you can look for a specific standard by keyword, reference, title and/or activity sector:

- ◆ CEN and CENELEC: <https://bit.ly/3QVEca2>
- ◆ ETSI: <https://bit.ly/3PbKFME>
- ◆ ISO: <https://bit.ly/44rR5vB>
- ◆ IEC: <https://bit.ly/45IBq20>
- ◆ ITU: <https://bitly.ws/YHfE>



Get in touch with your national standardisation body to learn more and get involved

You can find the list of recognised national standards bodies here: <https://bitly.ws/YHg7>

Some countries only have a single Standards Bodies member of CEN, CENELEC and ETSI while in other countries there may be two or three Standards Bodies that are respectively member of CEN, CENELEC and/or ETSI. Note that SMEs can become direct members of ETSI (not of CEN and CENELEC).

To find their contact details check the following websites:

◆ CEN members:

<https://standards.cencenelec.eu/dyn/www/f?p=CEN:5>

◆ CENELEC members:

<https://standards.cencenelec.eu/dyn/www/f?p=CENELEC:5>

◆ ETSI members:

<https://www.etsi.org/membership/members>

Contact an SME Helpdesk or Small Business Standards (SBS)

CEN and CENELEC have established a network of national SME helpdesks that provide direct support to SMEs via e-mail or phone in their national language: <https://www.cencenelec.eu/get-involved/small-and-medium-enterprises-smes/smes-and-standards/local-support-for-smes/>

Small Business Standards represent small and medium-sized enterprises' (SMEs) interests in the standardisation process at European and international levels. If you have any questions contact us at info@sbs-sme.eu



The role of Small Business Standards

Representing and defending SMEs' interests in the standardisation process



Very often, SMEs are not aware of how important standards are for their trade and daily activities. The main problems are a lack of information on standards, insufficient resources, little knowledge of applicable standards and a need to better understand the standardisation process. It is important that SMEs participate in discussing, writing and updating standards, otherwise their needs may not be taken into account and the final standard may even impose unnecessary or inappropriate requirements on them.

The main goals of SBS are to represent and defend SMEs' interests in the standardisation process at the European and international levels, to raise awareness about standardisation and to motivate SMEs to get involved.

To achieve these objectives, SBS organises training, national seminars and events, and disseminates information on standardisation through various channels. One of its main activities is the appointment of SME experts to relevant standards committees and working groups at the European and international levels.

SBS was established in response to [EU Regulation 1025/2012](#) on European standardisation which

aims to make the standardisation system as inclusive, transparent and open as possible. Its activities are funded to a large extent by the European Union and EFTA.

The association represents the interests of 12 million SMEs through 22 SME member organisations.

Further information on the activities of SBS can be found on its [website](#).





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