

EU Project “PSF-T-Technical Barriers to Trade: Study on practical aspects”

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AEB Conference

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Basic Project Information

- Project Title: “Technical Barriers to Trade: Study on practical aspects”
- Time Frame: Still ongoing -February 2018 – December 2018
- Beneficiary: European Commission – DG Trade and DG Growth
- Stakeholders:
- *“Key stakeholders include **European businesses and industry associations** such as Business Europe, Cembureau, Cefic, Euratex, Cotance, European Confederation of the Footwear Industry, Orgalime, CECE, VDMA, CEN/CENELEC, Association of the European Business in Russia AEB, **key EU companies trading with economic subjects in the Russian Federation** and other as appropriate.”*
- Executed by Consultancy Companies: Ecorys and IBF International Consulting
- Team of Key experts : Mr. Han Zuyderwijk and Ms. Irina Kireeva

Project Aims

- **Facilitate EU-Russia trade** in industrial goods by **identifying areas** where technical regulatory divergences affect (or threaten to affect) the market access and support **defining strategy** of actions aimed at reducing such divergences.
- The project aims to **conduct a study**, which will include a **survey** among key EU companies and industry associations in the selected priority industrial sectors, both in the EU and in Russia, aimed at **mapping out specific technical rules or practices**, relating to technical regulations, standards and conformity assessment procedures, which **are hindering market access** in Russia for EU industrial goods, and provide recommendations for possible means of bridging the existing legal gaps.”

Project Aims

- Conduct a **business survey** (questionnaire + interviews) among key EU companies and industry associations in selected industrial areas (based on their significances in the EU – Russia trade);
- Conduct a **legal study** by mapping out specific technical rules or practices, relating to technical regulations, standards and conformity assessment procedures which are hindering market access in Russia for EU industrial goods;
- Write **recommendations** on possible means of bridging the existing legal gaps

Objectives

- **Strengthen the position of EU exporters and EU Businesses in Russia and EEU** through facilitation of trade.
- Specific objectives:
 - **Identify industrial sectors** and within them **technical barriers** where approximation to EU rules, or more consistent implementation of existing regulations, would result in better access in the markets for industrial goods;
 - **Define possible actions** aimed at reducing trade barriers resulting from divergences in technical regulations, standards, conformity assessment and related rules for industrial goods;
 - **Raise awareness** of the business community of the existing barriers and **possible actions** for their reduction/elimination.


Outputs

- **Study** identifying significant industrial sectors, mapping the lack/compatibility of the technical regulatory frameworks between EU and Russia, focusing on practical problems businesses face;
- **Dissemination** of the main report in English and Russian;
- **A Round Table** in Moscow for at least 50 participants;
- **Presentation** of the study to the Market Access Advisory Committee (MAAC) in Brussels.

Activities: Done or Ongoing

- Designed, test and conduct an **online questionnaire** (being executed, ongoing)
- **Determine priority industrial sectors** based on significance for EU-Russia trade:
 1. Chemicals/chemical industry;
 2. Machinery;
 3. Automotive industry/transport equipment other than rolling stock and tramway stock;
 4. Optical and photographic instruments;
 5. Electrical equipment.
 6. Construction;
 7. Footwear;
 8. Textiles, including (industrial) textiles.
- **Interviews** with Business Associations and Companies on identifying practical problems they face with (being executed, ongoing);
- **Regulatory research** and **mapping** of technical regulation (differences EU- Russia).

Activities: Done or Ongoing

- **Interviews** with Small and Medium sized companies without representative office in the EAEU or Russia- **important**;
- **Legal analysis** of technical regulations in both EU and Russia (resulting from regulatory research and mapping); 
- **Recommendations** ;
- **Round Table event** and MAAC Meeting;
- **Dissemination of Report** and Summarized Report.

Some Findings So Far

1. In RF and EEU **focus on pre-market control through mandatory certification** (more than in the EU). For manufacturers it means **cost and time** to bring products to the market are higher.
2. **Absence of effective market surveillance** in many sectors means that there is no alternative to certification-high cost of certification and market access delay;
3. **Accreditation body has a formalistic approach** (formality more important than result- **product safety**). Practical difficulties:
 - Foreign issued test reports and certificates not recognized: double cost;
 - Test samples must be kept in Russia/EEU;
 - Verification of documentation for re-certification is not accepted: means full re-certification every 5 years.
4. Differences in standards can lead to necessity to **modify product design** for the EEU market and start separate production line – result in higher cost and delays.

Some Findings So Far

5. Despite public hearings at drafting stage of Technical Regulation, companies feel their **problems are not heard** and regulatory authorities do not seem to understand the compliance problems of manufacturers and importers ;
6. Concerning- **introduction of mandatory standards coupled with mandatory certification** in the construction sector. Example: new mandatory standards for cement (lacks EU harmonization with EN197) are introduced under article 46 of Federal Law 184, **without public hearing-** violation of WTO TBT rules and undermines harmonization in EEU (other countries could do the same)and approximation with EU. Concern -other sectors might follow;
7. Economic operators **miss clear instructions and guidance** on how the authorities want them to comply.



Thank you for your attention!