COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 30 final

Brussels, 24 january 1980

REMOVAL OF TECHNICAL BARRIERS TO TRADE

(Communication to the European Parliament)

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REMOVAL OF TECHNICAL BARRIERS TO TRADE

- GENERAL INTRODUCTION -

The work described in this document forms part of the general scheme on which the Commission has now been engaged for several years with to a view to ensuring the free movement of goods throughout the Community.

The problems inherent in the removal of technical barriers to trade have already been discussed many times at meetings between the Commission and Members of the European Parliament, especially at the recent meetings of the Committee for Economic and Monetary Affairs.

There are several reasons why this text has been prepared.

The first is connected with the fact that the results of the Commission's work in this field are presented to the Parliament at various stages in the form of directives covering specific products. These texts are highly technical and since they appear at intervals, as a result of the nature of the work itself, it is sometimes difficult to see exactly how they fit into the various policies which the Commission is trying to promote (industrial policy, policy of the environment, of the protection of consumers and for the economy of energy).

Now that a new Parliament is beginning to tackle these problems, it was essential that the Commission should submit a general descriptive document which would give the Parliament an overall view of the Commission's aims in this field, the reasons for the action it has taken, the priorities which it intends to adopt and the instruments which it hopes to use.

In addition, the Commission has now reached the stage where it must turn its reflexion to the guidelines which it has used until now and which were based almost exclusively on the harmonization of the legal, administrative or regulatory provisions which create barriers.

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Experience has shown that there are other technical obstacles to the free movement of goods resulting largely from differences in the non-mandatory standards regularly adopted by the various standards bodies in the Community.

The Commission must, therefore, extend the scope of its activity and at the same time, in order to make the best use of human and material resources, select the priorities for action rather more carefully than has been the case in the past. The Commission would like to present to the European Parliament the major options which result from this and to discuss them on the basis of the attached text.

From this study, clear policy guidelines should emerge which will give the Community greater assurance and authority in the difficult task which it has to accomplish.

Finally, at a time when a code on technical barriers to trade has just been signed and transposed into Community legislation as part of the multi-lateral trade negotiations, it was right that the Commission should outline to Parliament the results of its negotiations in this field, since these represent the external aspect of its policy for the removal of technical barriers to trade and complement the efforts undertaken within the Community.

It is clear from the attached document, that these two actions contribute in facilitating the circulation of goods within the Community, to the establishment of an industrial policy as well as the realization of other objectives such as the amelioration of the environment, the protection of consumers, safety at work, energy savings etc... They encourage a better industrial basis in the Community by creating a unified market and, in this way lead to the preferential access to the Community market for Community products.
However, the Commission has not adopted such a rigid attitude towards the obstacles created by technical barriers that it would seek to ensure Community harmonization at any price.

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On the contrary, in its Communication on the safeguarding of freedom of trade within the Community addressed to the nine Member States on 6 November 1978 and transmitted to the European Parliament and to the Council of Ministers on 10 November 1978, the Commission stated that, in accordance with the new guidelines laid down by the recent Court of Justice ruling, it intended to explore, all the ways in which it could ensure stricter application of the rules of the EEC Treaty on free movement of goods, and in particular Articles 30 to 36 in order to achieve a broader and more effective liberalization of intracommunity trade.

The Commission restated its proposals during the European Parliament's debate of 22 October 1979 on the Communication referred to above and to the problems raised thesein.

The main principle identified by the Court, particularly in its recent judgement of 20 February 1979 in Case N° 120/78* as regards the interpretation of EEC rules on freedom of trade can be summarized as follows :

1. "Any rules liable to hinder directly, or indirectly, immediately or in the future, intracommunity trade constitute a violation of the rules of Articles 30 et seq. of the EEC Treaty. "

2. As regards commercial and technical regulations more particularly, the Court stipulated that any product legally manufactured and sold in a Member State must in principle be admitted to the market of any other Member State.

3. Even if such rules apply indiscriminately to home-produced and imported products, they can only create barriers if these are necessary in order to satisfy mandatory requirements, are in the general interest, are the main guarantee of that general interest and if that general good is more important than the requirement of free movement of goods which is one of the basic rules of the Community.

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* Court reports, REC/1979, p 649

The definition of obstacles to freedom of trade prohibited by Article 30 et seq of the EEC Treaty as given by the Court is very broad. It can be used to seek out and to proceed more efficiently against new non-tariff barriers which hinder free trade within the Community often hidden in or disguised as a variety of rules and regulations.

As a result of the court's decisions, and the judgement referred to above in particular, Member States may control marketing conditions as regards their own products while the same is not the case for products imported from other Member States.

An approach based on the guidelines described would make it possible henceforth to put a stop to the application of a large number of national regulations insofar as these hinder trade between the Member States. Such an approach would, at the same time, make it possible to safeguard the special problems of each Member State and to ensure that these are known to and understood by Community consumers while still ensuring that the latter have a choice of a very wide range of products.

The Commission hopes that it will be possible for fruitful discussions on this particular point and on the document as a whole to take place with the European Parliament.

REMOVAL OF TECHNICAL BARRIERS TO TRADE

- Communication to the European Parliament -

I. The removal of technical barriers to trade is one of the requirements for the establishment of the Community's internal market. Goods must be able to move freely so that the consumer can reap the benefits of competition between manufacturers and of a wider choice of products, and in order that the manufacturers in turn can take advantage of the economies of scale offered by a market of 260 million inhabitants (soon to rise to over 300 million) and find in the internal market adequate scope for the development of new products before setting out to penetrate markets outside the Community.

This is why the Commission has always laboured to break down these insidious non-tariff barriers to Community trade, especially those of a technical nature.

II. Up to now, practically all its efforts in this field have been directed to the removal of barriers resulting from differences between the provisions of law, regulation or administrative action.

It should be noted that technical barriers are generally taken to mean barriers justified by reasons of health, safety, etc., and that as a result their elimination can only be effected by harmonizing directives based on Article 100 of the EEC Treaty.
Unjustified barriers, on the other hand, come under the ban in Article 30 and the procedure in Article 169.
These also involve the technical sector, of course, but, as the Court of Justice recognized in case 120/78, the ban in Article 30 is applicable to any national legislation, even that in a field which is likely to be harmonized.

With regard to the implementation of Article 30, the Commission explained in its letter on the protection of free trade within the Community, which was addressed to the Member States on 6 November 1978 and forwarded to the European Parliament on 10 November 1978, the action it was taking, and would continue to take, in the fulfilment of its duties as guardian of the Treaty.

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The other facet of Community action in this field, i.e. the adoption of directives pursuant to Article 100, has yielded quite substantial results.

In the sector of industrial products, over 120 directives have been adopted by the Council acting on proposals from the Commission : they relate mainly to motor vehicles (owing to the importance of that branch of industry) and metrology (because of the many disputes arising out of misunderstanding of the measurement methods used), but they also extend to other sectors such as tractors, chemistry (in particular cosmetics, pharmaceuticals and toxic substances) and textiles.
About fifty proposals are now before the Council.
The Commission has also used the powers delegated to it by the Council and implemented the procedure laid down for the adaptation of certain directives to technical progress, and in this context has already adopted more than twenty directives at an increasing tempo.

In the foodstuffs sector, progress has been less spectacular, largely because of the structure of the food industry : the Commission's task has been greatly complicated by the number of companies concerned, the differences in their size, and the complexities of competition between firms manufacturing the same product or products which the consumer regards as equivalent. Nevertheless, the Council has adopted fifteen main directives and thirty-five amending directives.

Though this record shows that the procedures envisaged in the "General Programme for the removal of technical barriers to trade", which was adopted in 1969 and revised in 1973, have been put into effect by the Commission with the necessary energy and drive, it does not mean that the situation is satisfactory.

III. The aim is not to accumulate directives, but to remove hindrances to trade. This is an objective that is still a long way from realization and will not be achieved by merely following up the work already under way, for the barriers that can be dealt with by directives issued in accordance with Article 100 of the EEC Treaty are only a part of the actual barriers.

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All the national standards being drawn up by the national standardization authorities at the rate of dozens every week are not in fact provisions of law, regulation or administrative action. These national standards are not designed deliberately in order to create obstacles but are generally meant to serve worthy aims: rationalization of production, improvement of product quality, protection of workers, users, consumers or the environment, more economic use of energy and the like.
Be that as it may, the way they are drawn up and the fact that only the national industry is actively involved in their preparation gives the national manufacturers a twofold advantage over their competitors:

- they can be sure that in the preparation of these standards due consideration will have been given to their views and their manufacturing processes;
- they are aware of the intended pattern of development and modification in advance of their competitors, and therefore have time to prepare for it.

The effect of these national standards in some of the member countries is enhanced by the importance attached to them by the inspection authorities and by the publicity given to certificates of conformity with the national standards.

If we remember that in some of the national markets certain marks and certificates of conformity have achieved a respectability that simplifies the procedures and reduces costs in the formalities required for the use of the products concerned (e.g. insurance contracts), it will be clear that the national manufacturers, better able to find their way around in the bureaucratic maze of their own country, have a head start in their national market. Their advantage may be such as to discourage manufacturers from other member countries, and tend to wall off the internal market into a series of national markets, contrary to the spirit of the Treaty of Rome.

Wishing to slow down and coordinate the flow of divergent national standards, the Commission gave support to the foundation and development of the European Committee for Standardization (CEN) and the European Commission for Electrotechnical Standardization (CENELEC). After fifteen years in existence, however, neither the CEN nor CENELEC have altogether lived up to the hopes that were placed in them: the number of European standards produced each year falls well short of requirements, and they sometimes incorporate "national deviations" that greatly lessen their impact.

This lack of efficiency in European standardization is a bitter setback, for experience has shown that the work done by the international organizations (the International Organization for Standardization, the International

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-8-

Electrotechnical Commission, the International Organization for Legal Metrology, the Codex Alimentarius Commission and the FAO) and by several bodies at European level (the Council of Europe and the UNO Economic Commission for Europe) cannot entirely satisfy Community requirements although the Commission collaborates and does its utmost to draw inspiration from their work. The results they produce are binding neither on the Governments nor on the standardization bodies who take part in the preparatory work, and all too often international standards for products are merely a repository for the various specifications found throughout the world.

Community action to harmonize national standards has therefore been less than adequate.

IV. Turning to the barriers resulting from provisions of law, regulation or administrative action, here again the approach hitherto adopted by the Commission needs to be seriously reconsidered.

1. On a number of occasions the European Parliament has openly complained at having to examine very technical proposals without understanding the place they occupy within the programme as a whole. The Commission, of course, transmits its proposals as and when they are drawn up in order not to delay the work of the Council, and this method results in a fragmentary presentation which makes it still more difficult to understand very complex and specialized documents.

   The Commission has to abide by Community decisions, and when a framework directive adopted by the Council stipulates that the special directives relating to a given sector are to be adopted in accordance with the procedure laid down in Article 100 of the EEC Treaty, it must comply. It has nevertheless tried to meet the wishes expressed by the European Parliament and, to begin with, has requested wider powers in the construction materials sector.

   It will follow up its efforts in this direction.

2. But the method adopted hitherto for the removal of technical barriers to trade poses yet another fundamental problem: it results in a growing burden of responsibility for the Commission and a constantly increasing workload

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for its staff. Whereas a few years ago the task of Commission officials in this field was to draw up new proposals and justify them to the other Community institutions, today much of their work is taken up with the management of directives already adopted, i.e. controllong their implementation in the Member States (nearly 250 actions for infringement are pending) and adapting them to technical progress.

These last-mentioned tasks are bound to grow with the Community patrimony, i.e. with the number of directives adopted by the Council, and will entail a steady expansion of the Commission's staff. Even if this increase of work at Community level and the wider responsibilities undertaken by the Commission brought about a corresponding reduction in the workload and responsibilities of the national administrations, an indefinite reinforcement of the Commission staff dealing with these matters would be unacceptable.

Moreover, if all the technical barriers resulting from provisions of law, regulation or administrative action were to be abolished by this method, several thousand directives would be required rather than just two hundred.

The Commission is therefore conscious of the need to diversify its activities in this field, especially as the road ahead is a long and arduous one. Even if the Commission were delegated further powers by the Council pursuant to Article 155, as recommended in the proposal on construction materials (see point VII), it would still be necessary - for as long as reference to CEN or CENELEC standards is as difficult as it is now - for the Commission's staff to hold consultations with the interested circles - Governments,producers and consumers - before preparing the drafts. Such consultations, however, are tedious, and the legal texts that have to be prepared - relating, as they do, to technical matters and entailing major economic consequences - are not easy to draft.
Bearing in mind that under Article 100 of the Treaty a binding provision must generally already exist in one Member State at least, it is not hard to see how cumbersome is a procedure that requires Community consensus to solve a problem that could be created by one national civil servant working with two or three experts.

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-10-

V. The Commission must therefore review the whole of its activities in connection with the removal of barriers to trade in the light of the policies it intends to pursue.

From the point of view of the industrial policy, it would be a mistake to think that the removal of barriers is an operation without effect on the evolution of industrial structures. The establishment of a single internal market will primarily benefit those industries - whether of the Community or outside - that are able to take advantage of the economies of scale that can be expected to ensue from the development of this internal market. Those economies can be achieved only by stepping up series production, and, since the development of the market is generally not likely to enable every company to multiply its production, keener competition will bring about changes of structure either in the form of mergers or, for instance, by more intensive specialization on the part of the undertakings concerned.

The Commission has never attempted to stand in the way of a natural process which is the outcome of free competition between the Community companies and will enable them to face their non-Community competitors on the most favourable terms.

As the internal market develops, therefore, the Commission must carefully continue to examine its priorities and the time limits within which it wishes to bring about the unity of that market in given sectors. The time limits must be compatible with those within which industry can adapt itself to the situation thus created.

In addition, the Commission is obliged to conduct a policy aimed at protecting the interests of the consumer as laid down in the preliminary programme of the Community (O.J. 25 April 1975 - C 92/1). This programme recognizes that the consumer has certain basic rights and in particular the right to the protection of his health and safety, to the protection of his economic interests, to information and to representation. The recognition of these rights imposes two distinct but connected aims on the Community, namely the elimination of technical barriers and the protection of the consumer.

In this respect it should be noted that whilst representing a specific objective, the protection of the consumer can be an important factor for better competitivity between firms, especially through its action on prices and on the quality of products and therefore lead to greater competitivity with respect to competition from industries in third countries, to which allusion was made before.

It should also be noted that in the fields of the environment and of energy economy improvements in technique and products are also being achieved by means of harmonization at Community level so that Member States do not introduce new barriers through the implementation of policies conducted in these fields.

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Here, too, the Commission will make every effort possible.

VI. The Commission will have to tackle the problem from several angles: it should seek not only to remove the barriers, as it has done hitherto (by directives based on Article 100) but also try to prevent such barriers from arising. Whether the obstacles are created by provisions of law, regulation or administrative action or in some other way, this twofold approach must be such that no time is lost in identifying problems, not merely from the legal standpoint but according to their economic importance and the time limits within which they have to be resolved.

VII. The Commission will also continue its work in implementation of Article 100, though it will concentrate more of its attention on those areas in which it is most anxious to succeed in order to avoid dissipation of effort. It has never been the Commission's policy to harmonize for the sake of harmonizing, and up to now it has not only kept within the bounds of the programmes approved by the Council, but it has always tackled new areas in close consultation with the parties concerned, namely those most affected by the walling off of the market and most consciuous of the need to do away with national barriers.

Since, however, the number of officials who can be assigned to a task of this kind is limited, it will become more and more necessary to make a strict selection from among the requests received from industry in order to give maximum efficiency to the Commission's activities.

Among the sectors that require special surveillance is that of motor vehicles, for which it is to be regretted that the Council has not yet adopted the last three proposals presented by the Commission, one in 1972 and the other two in 1976. Mention should also be made of agricultural tractors - a sector in which the industry is endeavouring to organize itself - and in a more general way of the mechanical and electrical engineering industries. In these sectors the Commission will try to carry through a selective but consistent policy, drafting its proposals with a view to achieving a concrete approach to the problems within the framework already laid down in the framework directives adopted by the Council.

The Commission will also seek to obtain a Council decision on the proposal for a directive on construction materials and on the procedure it wishes to put into effect.

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In this proposal the Commission has suggested that the Council delegates wide powers to it: basing itself on a detailed programme it will be able, under certain conditions, to adopt the individual directives relating to various types of material following extensive consultations, in particular with the Economic and Social Committee.

The Commission wishes to thank the European Parliament for supporting its initiative.

Should that procedure be approved by the Council, the Commission would, of course, propose that it be used for other sectors still outstanding in order to simplify the preparation of special directives. In the matter of special directives, it will continue to give very careful consideration to the opinion of the Economic and Social Committee, which has always followed its work with close attention and to which the Commission is indebted for the support it has consistently received.

Now that a number of directives have been adopted in the field of chemical products, efforts will be directed chiefly to their regular adaptation to technical progress and to the implementation of the decisions they involve.

In this connection, special mention should be made of the sixth amendment to the Directive on dangerous substances adopted by the Council on 18.09.1979 (*) this alone sets an extremely ambitious programme for the Commission, which will have to follow up and control all new chemical products within the context of this Directive which are notified as having been placed on the market.

As regards cosmetics, an amendment to the basic directive is currently before the Council. This strengthens consumer protection in this area and must, therefore, be considered as a priority matter. The same goes for the proposal to amend the directive on the "labelling of textiles" and that on toys, both of which will be transmitted shortly to the Council.

In the foodstuffs sector, the Commission will not only have to press for the adoption of the proposals already presented, which the Council has been discussing for years (ten years in the case of the proposal on mineral waters!) but it will also have to meet the commitments it has entered into with the Council with regard to the conditions of use of additives and aromatics.

(*) OJ L 259 of 15.10.1979

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VIII. The activities described in the last section are merely a continuation of those already in progress and which there as no question if abandoning, but in parallel the Commission proposes to hold meetings - as often as needed, and not less than twice a year - of the national officials responsible for standardization policy in order to coordinate their activities. At these meetings, the delegation from each Member State will give a detailed account of its current programmes and its intentions with respect to technical specifications that it intends to make mandatory; it will also indicate any difficulties that might be arising in its exports to other Member States as a result of this type of barrier.

It will be essential to find joint solutions to these difficulties, which may be due either to the specifications themselves or to the inspection formalities. In the first case, Community harmonization may be called for, either by means of a Council directive or simply through harmonization of national standards, for the Member States often use the method of reference to the standards drawn up by their own standardization bodies. In the second case, a solution might be found in reciprocal recognition of the inspections carried out in other member countries. The Commission feels sure that many of the problems can be solved, at any rate in part, by procedures less formal, and thus more flexible, than the issue of directives. In what follows it will be shown how it intends to identify those difficulties: the general idea is, however, that periodic contacts and frank discussions between the responsible officials would make it possible to clear up misunderstandings and to set new guidelines with a view to preventing the proliferation of barriers resulting from unilateral national decisions.

At these meetings, the Commission will have the opportunity to explain the measures it proposes to take, and to enhance their chances of success by making the reasons for them better understood.

IX. If the principles outlined above are to be put into effect, coordination between the national standardization bodies, which the Commission has always encouraged, must be developed and strengthened. A major factor in that coordination will be the transformationof the CEN and CENELEC into effective organizations. For that purpose, there must first be a firm commitment to these bodies on the part of the Governments of the Member States and the Commission.

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-14-

At the political and technical level, this must take the form of more active participation in their work (notably with regard to their organization and control) and in the decisions taken. The meetings of the CEN and CENELEC should cease to be a confrontation of national interests, and become a forum for the pooling of information by the national experts.

Where the problems encountered are outside the sole competence of the standardization experts, the Commission, in association with national officials, will study the various options, point out the main guidelines, and define priorities.

If European standardization is to fulfil any useful purpose, European standards will have to be prepared, without "deviations", at the rate of several hundred a year. This will not excessively complicate the work of the standardization institutes in the Member States, since the European standards will have to be included in the national standardization systems and the work done at European level will not need to be repeated nationally. One need only think of the work being done over and over again by the eight standardization authorities in the Member States - each jealous of its prerogatives and independently drawing up its own national standards - to realize the absurdity of the situation and the amount of work and money that could be saved by European organizations with a suitable mode of operation.

In recent months, the Commission has been in touch with the management of the CEN and CENELEC. It has stated its requirements and inquired what adjustments they intend to make to their organization and working methods in order to meet the demand. Provided they show genuine willingness to improve, the Commission might wish to strengthen the "gentlemen's agreement" concluded between its own departments and the CEN and examine the conditions in which financial support to those bodies might be granted. The amount and form of this support would have to be discussed with the representatives of the Member States in the context of an overall policy.

The Commission also intends to promote the representation of consumers on standardization bodies as it announced in its second programme for a policy for consumer protection and information.

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X. In this field, too, however, the work so far accomplished which has principally done no more than repare the harm done by a glut of specifications laid down at national level, should be completed.

The Commission intends to set aside some of the meetings referred to in section VIII for discussions at which the officials responsible for national standardization will be accompanied by the directors of the standardization bodies in the Member States. The latter will deliver a report on their programme of work, and it is hoped that this will help to prevent what happens all too often at present, namely that manufacturers in one member country are taken unawares by standards issued in another, and compelled in effect to make radical modifications to their production at short notice.

After reporting on the various programmes, the working party will go on to consider how they can be c oordinated to avoid duplication of work.

Moreover, the draft national standards will be communicated to the standardization bodies in other Member States early enough to enable them to make observations that can be effectively taken into consideration. Lastly, observers appointed by the standardization institutes of other Member States will be able, upon request, to be present at the standardization work carried out by a national institute on a given subject. These decisions, which have been taken in the last few months by the responsible officials of the Member States acting on a proposal from the Commission should quickly produce positive results. The Commission will follow their implementaton closely.

XI. The Commission's work would be incomplete if it did not also endeavour to remove barriers engendered by the national requirements with respect to certification and inspection. In this field there is a wide variety of procedures, which are either laid down by provisions of law or regulation or which, although not legally binding, do in fact offer real advantages to those for whom they are most easily accessible (a few examples are given in section II of this document). These problems are difficult to pin down.

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Many of them can be resolved by harmonization of the national standards and the creation of an adequate body of European standards. Pending the outcome of this laborious work, however, the Commission has undertaken, in agreement with the officials responsible for standardization in the various Member States, to draw up an inventory of national certification procedures and the obstacles to trade they entail.

In cooperation with the Member States, it will examine and implement any solutions that might help to lower the barriers, e.g. the harmonization of existing certification procedures or the development of Community certification on lines that would permit reciprocal recognition of the inspections carried out in the Member States and ofthe certificates they require. In this connection, it will no doubt be necessary to work out a European approach to the question of qualification criteria for the certification authorities and test laboratories. The work is to be continued over the next few months, and the Commission is very anxious that it should proceed with alacrity.

XII. The Commission's intention, then, is to follow up and intensify its efforts to ensure that free trade within the Community is implemented in full. A good deal of work has already been done, and the task of the future is not merely to safeguard the Community patrimony and continue the current activities on the same lines as in the past, but also and above all to supplement them by taking account of other aspects that up to now have not been given the same priority. Clearly, the aim to be achieved is to establish an internal market and to enable the consumer and the enterprises to take advantage of it. As we have said earlier, the removal of barriers cannot be regarded as a separate issue from the various policies that the Commission must follow - it is obvious that that policy is a crucial factor, and it must therefore be effective and realistic. The choice of priorities will be guided by those areas of industry in which action is more necessary than elsewhere, and the means must be selected according to their effectiveness. For the Commission to sponsor a flood of directives that it would have the utmost difficulty in managing would be pointless: the aim is the free movement of goods within the Community, and in order to achieve that aim the Commission intends to broaden its present activities by placing as much emphasis on the prevention of barriers as on the removal of those already created.

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Lastly, the Commission will keep the European Parliament informed of the progress of the work in an oral report. Any suggestions put forward by Members of the Parliament during the discussion would be given very careful attention by the Commission, and would be taken into account wherever possible in its subsequent activities.

XIII. The Commission's work on the removal of technical barriers to trade within the Community is inseparably bound up with the efforts that have been made internationally. In this connection mention might be made of the contacts that are steadily maintained with the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Organization for Legal Metrology (IOLM), or the Codex Alimentarius. But a place of honour must be accorded to the work that has borne fruit in the GATT "Standards Code", an integral part of the agreements winding up this year's multilateral trade negotiations. The correct name of this Code is in fact the "agreement on technical barriers to trade"; it is the outcome of ten years of work, since it was in 1969 that the GATT Committee on Trade in Industrial Products set up a working party to examine:

" disparities in existing or future legislation or regulations, lack of mutual recognition of testing, and unreasonable application of standards, packaging, labelling and marking regulations".

After ten years of thought and effort, the "Standards Code" is now the first internationally agreed text designed to check the proliferation of divergent technical standards and regulations issued at national level by the various contracting parties. It is thus an attempt to restrict the scope of Governments to set up barriers to trade in the form of regulations and standards.

What are its main objectives and provisions ?

The Code clearly lays down that technical regulations and standards must be neither drawn up nor applied with a view to creating barriers to international trade.

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Any such regulations and standards drawn up at national level must be based on the relevant international standards wherever such standards exist, and in any case they must be widely circulated at the time of preparation to enable the other contracting parties to submit comments or observations. For this purpose, the contracting parties undertake to set up an information point to answer any requests for information in this connection. Needless to say, the conditions to be complied with in the case of imported products must be not less favourable than those applicable to originating products, and it is even requested that, wherever possible, each contracting party should accept the results of tests performed in the country of manufacture and any certificates awarded by that country. It is acknowledged, however, that this point raises awkward questions of responsibility and reciprocity and, if need be, it can be the made the subject of prior negotiation.

At all events, the systems of certification in force are to be communicated to the other contracting parties.

Moreover, provision is made for technical assistance in this connection, especially for the benefit of the developing countries, and it is stipulated that, as far as possible, the special situation of those countries shall be taken into consideration.

All these provisions make for greater transparency, wider understanding and better rationalization of the rules applied by the various countries. In adopting this code, the Community made a declaration to the effect that "this code has been designed to afford mutual and reciprocal advantages to its signatories and is expected to bring about a proper balance of their rights and obligations". The measures taken for the embodiment of the agreement in Community law reflect that purpose: it is essential that its application by the various parties should result in genuine reciprocity to their mutual advantage.

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If correctly applied by the principal trading partners, the Standards Code ought indeed to offer substantial advantages. From the point of view of information alone, it gives worldwide application to the provisions already laid down for the Community in the agreements signed between the Member States in May 1969*; but whereas the latter related only to technical regulations with legal authenticity, the Code extends to all national standards.

The Standards Code is, of course, first and foremost a code of conduct, and it in no way prevents the Community from going still further in relations between the Member States. On the contrary, any harmonization at Community level is bound to simplify world trade by helping to unify the market with respect to the specifications with which products have to comply. Furthermore, the leading role played by the standardization authorities of the Member States in the international standardization bodies (most of their technical committees are chaired by Member State nationals) ensures that technical regulations and standards harmonized at Community level take full account of the rules and recommendations adopted internationally, sometimes being directly inspired by them. Hence any approximation of technical regulations or standards between the Member States is entirely in accord with the letter and spirit of the commitments entered into within the GATT framework.

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* OJ C 76 of 17.06.1969