# CE marking: good for business and consumers

## 1 Introduction and Executive Summary

### 1.1 Introduction

The UK took the unprecedented decision to leave the European Union and with Brexit expected to take place in March 2019, there is a race against time to determine the future UK-EU relationship. All sectors are impacted and have to deal with an uncertain regulatory landscape. In this paper, we as organisations representing manufacturers in key sectors argue the case for retaining CE marking by outlining its benefits and how it helps to ensure smooth trade across Europe.

### 1.2 Executive Summary

Manufacturers and businesses want consistent regulations throughout Europe.

SMEs exporting into the EU don't want to be crippled by divergent regulations and manufacturers operating globally want the most efficient system so they can innovate and bring great value goods to market. CE marking has made this happen and has had a positive impact on consumer safety, free trade and the sustainability of products.

Manufacturers do not support a separate UK marking scheme as it will make things more expensive and time consuming to make and could risk having to follow one set of rules for Europe and another for the UK. The results of this will be less choice for consumers and more expensive products on the shelves.

It will also create question marks on safety and it is doubtful that the UK has the skills, marketing or administrative resources and capacity to run a UK mark that gives the equivalent level of protection for the public and ease of use for business.

## 2 Background

### 2.1 What is CE marking?

CE marking (or a Declaration of Conformity) is the process of affixing the $CE$ symbol to different products to show compliance with certain legal requirements across the EU and the EEA, not least those that ensure consumer safety. It has been a legal requirement since 1985 (and in the current format since 1993) and products with a CE mark can be sold freely in the EU free-market area.

### 2.2 What needs a CE mark?

Not everything needs CE marking and the different product groups requiring marking are listed in full in Annex 1. However, it includes all tech products, products used by children, electrical, building machinery, medical equipment and heavy duty products.

### 2.3 How does it work?

Products need to comply with various rules, Directives and related harmonised technical standards. A product that meets the requirements can carry CE marking. Some product types

can be self-certified by manufacturers whilst others, particularly more high-risk products, need an independent third party to test their products.

Each EU Member State has a 'Competent Authority' to enforce the rules and in the UK the responsible Government department is the Department for Business, Energy and Industrial Strategy who have a number of Market Surveillance Authorities (for example Trading Standards) that check that goods are compliant and safe.

# 3 The Benefits of CE Marking to the UK

## 3.1 Vital for UK manufacturers and exports

CE marking was introduced as a visual indication that products met applicable EU requirements and was commonly referred to as a "passport for products". CE marking can seem complex and bureaucratic, but it has been vital for ensuring goods can move freely across the EU.

It means manufacturers can offer good value and high specification goods, and consumers and market surveillance authorities can be assured that safety and quality has been verified. It has also delivered real value to manufacturers and industry.

## 3.2 CE marking supports trade with the EU

44% of all UK trade is with the EU, so even following Brexit, every endeavour should be pursued to remove barriers to trade. CE marking forms a major part of making this free trade a reality and any British company wanting to send their products into the EU will need to get their goods CE marked.

## 3.3 Manufacturing is simpler and more efficient

Having one set of requirements for 32 wealthy countries is beneficial to UK manufacturers who seek harmonised rules to improve the efficiency of their manufacturing processes and reduce administrative burdens, avoiding a situation where the same product would have to be tweaked to meet specific country requirements.

If the UK withdrew from CE marking, it could result in products not being available in the UK or at least take longer to get to market as they need to undergo further compliance processes, such as double auditing. Product prices could rise too as these additional processes generally infer substantial new costs.

## 3.4 Retailers value CE marking

Without CE marking, UK retailers will be flying blind on whether the products they are selling are safe. Without it they would need to undertake this assurance from another process which will only result in things costing more and taking longer to come out – potentially stifling UK innovation, or lagging behind EU neighbours. Furthermore, many retailers often partner with others to produce 'own label' goods that improve customer choice and keep goods available at different price points. The chain of specialists offering CE marking testing helps make this possible.

## 3.5 Consumers know and trust CE marking

Currently UK consumers are protected by the legal requirements which result from EU Directives and Regulations. Once the UK leaves the EU, it will need to evolve its own

requirements, especially as the Repeal Bill only creates a snapshot in time and it could be complicated when EU law moves ahead and the UK does not.

The UK used to have its own mark (the BSI administered Kitemark) along with other marks. This plethora of national marks made things very confusing for consumers and costly for manufacturers, so the advent of a single mark to signify compliance was a great step forward in reassuring consumers and eliminating confusion.

People actually recognise CE marking and consumers feel assured that they are buying trustworthy and tested products. CE marking took many years to establish, so if the UK moves away from this after Brexit the UK government will need to decide how it will inform market surveillance authorities and consumers alike that products are safe.

# 4 Leaving CE marking creates problems

## 4.1 Goods come to market later and cost more

If CE marking is not recognised and replaced with a UK compliance marking based on the same international standards, it will increase costs to manufacturers for each product they want to sell in the UK.

The result of this could mean that some products will not be made available, or will have delayed entry into the UK market due to additional administrative requirement. The extra compliance costs and delays will inevitably mean that the price of goods will rise in stores and online where pan European distribution is commonplace.

## 4.2 A severe risk to UK exports

UK companies want to sell abroad; having a different set of rules for the UK, the EU and elsewhere means that it will be harder to design products that meet requirements in all of the destination markets. CE marking has resolved this issue. The EU has been the most attractive destination due to its location, low cost transport and single market access. With the UK set to be a 'third country', companies wishing to export to the EU will have to follow all EU rules as well as UK ones. There is also a risk the UK mark could be seen as inferior or less safe, damaging sales.

## 4.3 The UK as a potential 'dumping ground'

Without solid safety rules, the UK could become a 'dumping ground' for potentially unsafe and sub-standard products as operators producing non-compliant goods tend to target markets that have lower standards than those entailed by CE marking.

This damages the reputation of compliant manufacturers and has negative safety and quality implications for the public. It also hurts UK firms who have been used to dealing with the rules and procedures of obtaining a CE mark and who are committed to safe and high quality products.

## 4.4 Notified Bodies

Some products have to be assessed by a third party called a Notified Body to get a CE mark. In the UK BEIS or DCLG can grant Notified Body status to organisations and these Notified Bodies must have UKAS/ILAC accreditation. The UK has the third highest amount of Notified Bodies in the EU (189) and generates up to £2billion revenue, so not insignificant

business in itself and is a vital part of CE marking. Following Brexit, the UK needs an agreement with the EU to ensure any ongoing or new Notified Body involvement is still recognised against a CE marked product.

## 4.5 Companies and extra costs could mean companies stop selling to the UK

The uncertainty caused by the current lack of clarity means that companies may see the UK as a more costly and less attractive place to do business, which could restrict competition and choice for consumers.

BEIS has not confirmed plans for continued UK involvement in CE marking, understandably saying that this will be discussed in negotiations. However, we would urge BEIS to make their negotiating position clear, preferably being that the UK desires to stay in the CE marking framework and that this position is made clear to the Commission. Businesses across the EU will not want to stop exporting to the EU, but the extra burden and cost of doing business in the UK may erode the appetite for supplying goods.

## 4.6 CE marking is used more widely than just the EU

CE marking is followed by several non-EU European countries to demonstrate that certain products are safe to be placed in local markets.  The UK has benefited from mutual recognition agreements between the EU and 'third countries', such as Japan, Australia, New Zealand, USA and Israel.

The EU has led the world in many ways on product safety and quality and CE marking has driven up standards outside of the EU. At a time when global supply chains and international markets are becoming essential, the UK will be at a disadvantage if it was to move away from such EU legislation that is now a leading global standard.

## 4.7 Lesser standards and barriers to trade within the UK

BEIS needs to understand how CE marking (and consistent regulations more generally) facilitates global trade and avoid calls for 'easy wins' by adopting trade deals that see lesser environmental and safety standards. UK consumers will not tolerate less safe and lower quality goods and the best way to ensure this is to co-operate and retain CE marking.

The UK single market should be considered too. Some areas of EU law required in CE marking (such as environment laws and energy usage) are devolved matters. There is a possibility that, for example, Scotland may require products to follow different rules, which would create confusion in the supply chain and reduce choice.  There is also the issue that whether UK consumers should not expect a lower level of safety than their counterparts in Europe.

## 4.8 The lack of expertise and capacity to deliver a UK mark

Sustained budget cuts have impacted the ability of the authorities to enforce current rules. There is no realistic possibility that a UK mark will be ready by Spring 2019 (when the UK leaves the EU) and there is even less of a chance that the UK will have the resources to make one work. Manufacturers won't know the rules or who they need to speak to; this could harm businesses and consumers.

# 5 Conclusion

Moving away from CE marking will create a scenario whereby products take longer to manufacture, cost more and still need to comply with CE marking anyway if they want to be sold into Europe. With Brexit on the horizon, the UK Government should be doing all it can to ensure that barriers are not created for UK companies wishing to trade internationally. Indeed, CE marking has benefited the UK immensely by protecting consumers, upping the game of manufacturers, increasing competitiveness and allowing for the free trade of goods.

## Annex 1: Products requiring a CE mark

- Active implantable medical devices
- Appliances burning gas based fuel
- Cableway installations designed to carry people
- Construction and some forms of building products
- Eco-design of energy related products
- Electromagnetic compatibility
- Equipment and protective systems intended for use in potentially explosive atmospheres
- Explosives that have civil uses
- Hot water boilers
- In vitro diagnostic medical devices
- Lifts
- Low voltage
- Machinery
- Measuring instruments
- Medical devices
- Noise emitting products in the environment
- Non automatic weight and measure instruments
- Personal protective equipment
- Pressure equipment
- Pyrotechnics
- Radio and telecommunications terminal equipment (like mobile phones, TVs etc)
- Recreational craft
- Restriction of the use of certain hazardous substances (RoHS) in electrical and electronic equipment
- Simple pressure vessels
- Toys

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The undersigned organisations are as follows (in alphabetical order):



Association of British Healthcare Industries (ABHI)



British Compressed Air Society (BCAS)

British Educational Suppliers Association (BESA)

British Industrial Truck Association (BITA)

British Plastics Federation (BPF)

British Toy & Hobby Association (BTHA)

Building Services Research and Information Association (BSRIA)

Equitoy

The Giftware Association

Heating and Hotwater Industry Council (HHIC)

Hot Water Association (HWA)

Independent British Vape Trade Association (IBVTA)

Mineral Products Association (MPA)

National Federation of Roofing Contractors (NFRC)

Ornamental Aquatic Trade Association (OATA)

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