

28th February 2007

BUSINESSEUROPE response to the stakeholder's consultation on units of measurement (Directive 80/181/EEC)

INTRODUCTION

BUSINESSEUROPE is generally satisfied with the current situation on dual labelling of SI¹ (metric) and non-SI units that was established by Directive 80/181/EEC of 20 December 1979 on the approximation of the laws of the Member States relating to units of measurement and its updates.

We are however concerned that the indication of mandatory SI units in the European Union may no longer be supplemented by indications of non-SI units of measurement after the 31st December 2009. This may add costs and administrative burdens to industry given the levels of exports to non-metric markets such as the US.

We therefore welcome the Commission Staff Working paper on units of measurements which envisages the continuation of permission to use supplementary indications of non-metric units.

We have already stated our position on metric units in a letter sent to the Commission on the 26th April 2006. In this letter we restated our 1999 position which supported the then proposal to ensure standardization on SI units while at the same time postponing "by an additional 10 years the end of the transition period provided for in Article 3 of Directive 89/617/EEC allowing supplementary indications of units of measurement (in both metric and imperial)".

BUSINESSEUROPE continues to support the intention of the European Commission to ensure standardization on SI units. We still believe it is the right course of action because worldwide use of one system for units can provide considerable benefits both to industry and to the consumer. However in striving for this goal mainly through legislative means we also believe that it should not give rise to situation which can be damaging to market actors.

We are also of the opinion that the EU should do more to encourage its most significant global trading partners to promote the use of SI-units. Special attention needs to be paid to sectors (such as those that produce products such as TV-sets, screens, tyres, DVD's etc.) where SI-units are not used in the global market.

What follows now we offer as our response to the detailed questions outlined in the Commission's consultation paper.

¹ The International System of Units abbreviated **SI** from the <u>French language</u> name *Le Système international d'unités* is the modern form of the <u>metric system</u>.



1. Should the "Katal" be introduced into Directive 80/181/EEC?

While not having a general opinion on this question we are aware that 'Katal' is used, for example, in the hospital sector in order to have a more precise indication of the results of a catalytic process than the mol/sek unit of measurement.

In general BUSINESSEUROPE believes that legislation needs to be flexible enough to allow for new developments. When on a global scale new measurement units are deemed necessary this should be backed up by the European Union.

2. Should the use of SI-indications in specific cases be covered in other directives rather than in Directive 80/181/EEC?

No. We are not aware of specific uses of SI-indications outside Directive 80/181/EEC. Should it prove to be the case that it is used, we would prefer that these specific cases be dealt with under Directive 80/181/EEC, in order to avoid any confusion.

3. Should arbitrary units be included in Directive 80/181/EEC if supplementary indications are no longer allowed?

We are not aware at this time of any problems surrounding the use of arbitrary units. We do not foresee any problem developing if the permission for supplementary indications is continued.

Should an amendment prohibiting the use of supplementary indications be deemed necessary for other trades, we would suggest including a reference in the directive to the international standards ISO 31 and ISO 1000 with a view to aligning EU Member States with the international system of units of measurement and their multiples or submultiples (SI).

We would like to reiterate again the fact that we believe European legislation should be flexible enough to be updated to allow for the inclusion of relevant measurement units, when needed in the specific sectors. For example arbitrary units in the health field are fixed by World Health Organisation and are not SI units. The International Unit (IU) is used to measure the activity (that is, the effect) of vitamins and drugs such as insulin.

4. Should ratios be included in Directive 80/181/EEC if supplementary indications are no longer allowed?

We have no problem with ratios using SI units at this time. For ratios using one or more non-SI, we are of the opinion that it should be left up to each market segment to judge the speed at which it adopts ratios using SI units, as recommended by the BIPM.

5. Should the exemption in Article 2b be maintained in Directive 80/181/EEC?

We are of the opinion that the status quo with the continued possibility to label products and make documentation with the supplementary indications as requested by the international conventions or other agreements in the transport sectors should be maintained.



6. Should indications specific to certain sectors be included in Directive 80/181/EEC?

If it is not possible to continue to use supplementary indications, we would support indications specific to certain sectors being included in Directive 80/181/EEC.

However, in the spirit of better regulation and to avoid imposing unnecessary costs and burdens on European companies, we support maintaining the status quo, by continuing the possibility for each market sector to use supplementary indications specific to their sector so long as they deem it necessary (see our answer under question 7).

7. Should the use of supplementary indications in Article 3 in Directive 80/181/EEC be continued?

Yes, we believe it should be.

European industry exports huge quantities of goods to foreign markets that may not have adopted the metric system yet.

If only metric units are to be used in the EU from the 1st January 2010 we expect that some serious burdens will be encountered by industry. If major markets which European industry exports to will require one set of units for certain applications while the EU's market requires another, European industry is going to experience added burdens that are not in keeping with the principle of better regulation and cutting red tape. (See answer to question 10 for more detail.)

We are of the opinion that it should be left up to individual market sectors to decide for themselves the speed at which they adopt the SI units system. The markets should decide how long they need to maintain the possibility of labelling products and documentation using both metric and other units.

With a view to moving towards the ultimate goal of harmonising units of measurement, we suggest the Commission promotes and communicates the benefits of the SI-system worldwide. This can be done by putting political pressure on other countries to consider the use of the SI-system and by driving an educational process wherever relevant. Furthermore, we would suggest a regular reviewing of the situation with reporting on progress in order to judge what (if any) further measures might be required to encourage the use of the SI system.

8. DO MARKET OPERATORS FACE ANY PROBLEMS WITH THE CURRENT SYSTEM?

We are not aware of any significant problems with the current system. If some incidents arise from mistakes in comparing units of measurements from two different systems, we believe that the situation can be improved by relevant training or information campaigns. The use of the SI system could be encouraged at world-wide level through persuasive and non-binding measures in close co-operation with all governments of industrialised countries. However, it should not hamper the level playing field conditions in international trade that should apply to European industry and its trading partners.



9. Have all issues and alternatives concerning Directive 80/181/EEC BEEN HIGHLIGHTED IN THE ABOVE TEXT?

No, we don't believe that all issues and alternatives have been highlighted. In addition to the deletion of clause 2 of Article 3 we would also suggest the deletion of clause 3 of Article 3 whereby "Member States may require that measuring instruments bear indications of quantity in a single legal unit of measurement". This may lead to unnecessary technical barriers to trade and costs for companies manufacturing measuring instruments for both metric and non-metric markets.

10. INDICATION OF ANY COSTS AND BENEFITS THAT WE EXPECT TO HAVE AS A RESULT OF ANY OF THE ALTERNATIVES.

European industry will, at the very least, have to produce two versions (an SI version and a USA version) of packaging labels and technical documentation such as operating and training manuals, brochures, leaflets, instructions and processes / procedures for service, maintenance or repair, etc. This also leads to a larger number of parts in the logistics chain including both increased duplicate and obsolete stock.

All this will require significant additional costs (in financial, time and labour terms) and make the day-to-day functioning of European industry more difficult on the global market.

These additional costs strongly depend on the type of product, and in particular on whether multiple physical product variations will be needed. Based on experience a realistic estimate is that the one-off adjustment costs can be as much as 0.02 - 0.2 of a percent of turnover. That is, for European exports to the United States in the machinery and transport sectors alone, between 150 million and 1.5 billion euros².

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² Based on export data from: http://www.eurunion.org/profile/facts.htm. These figures disregard repetitive costs and one-off adjustments in other European industry segments.