

**Brussels, 7<sup>th</sup> August 2017**

## **Orgalime/Sector Associations Contribution (in blue) to the Scoping interview in the framework of the Impact Assessment of Outdoor Noise Directive 200/14/EC.**

1. **Attached Excel file:** Could you please give an indication of the following market data for your sector, as far as in the public domain: *Please note that the Excel file cannot be filled by Orgalime but should be completed by each sector/manufacturer.*
  - a. NACE and Prodcom codes: *NACE REVISION 2 CODE 28.1, 28.2, 28.3, 28.4 and 29.9 (less relevant probably as most of these machines are used indoors). Please note: these are the main NACE codes of all Orgalime activities, which means that some of the sub-categories have more equipment impacted by the Outdoor Noise Directive than others)*
  - b. Overall number of manufacturers in the EU (for equipment category 1...57 and potentially new equipment types)- *The overall number will be provided after collecting data from each sector or in some cases you have already held conversations with the sectors*
  - c. Overall number of equipment in use in the EU (for equipment category 1...57 and potentially new equipment types) *Most probably, some sectors will be able to provide this information whereas others will not be able to do so.*
  - d. Number of equipment sold in the EU per annum by all manufacturers together (for equipment category 1...57 and potentially new equipment types)- *same as above (sectors might be able to answer)*
  - e. Market share in the EU of Eu companies in % - *Answers can be provided when collecting data from the sectors.*
  - f. Average annual operating time for your equipment type(s) *The average annual operating time of an equipment depends on the equipment, the sector or even the user or weather. This information will be provided to you by the sectors themselves where possible.*
  
2. **Could you please describe the market structure of your sector?**
  - a. Typical dimension of manufactures: *within the constituency, one can find different categories of companies, from very large ones which trade globally to SMEs. Through the analysis of the various sectors, you will be able to draft a picture of the dimension of the companies.*
  - b. Number of manufacturing companies in Europe (possibly by dimension): *sectors to reply*
  - c. Level of cross-border activity (are companies more focused on national market or they sell everywhere in Europe? What about international markets?): *many of the sector companies place their products not only on the EU market but also on the global market.*

*Orgalime, the European Engineering Industries Association, speaks for 41 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2016 accounted for some €2000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.*

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- d. Typical type of client (private and professional): this again depends on the sector, but you will be able to find both BTB (Business to Business) equipment and BTC (Business to Consumer).
  - e. Competition from Third Countries: as in the whole of the manufacturing industry, economic operators are both EU and non-EU players.
3. Is there a Market demand to provide quieter equipment? (Please distinguish between private and professional users): the main market requirement is related to safe equipment which is fit for purpose, noise being considered a secondary aspect.
4. **Would incentives for less noisy product stimulate the market?** No comment
5. **Could you please share your opinion on the Directive in its current form?** Please consider the following sub-questions:
- a. Do you think it was relevant at the time it was issued?  
It is important to highlight that most of the equipment which is impacted by this Noise legislation is within the scope of the Machinery Directive in which noise requirements already exist.
  - b. Are there conflicts with other international, European, national legislation?  
It is important to highlight that there exist different understandings of noise values and measurement methods. It is therefore difficult to compare noise levels at European and international level.
  - c. Do you think that having common standards across the EU enabled companies to sell their products internationally? This could be the case providing EN/ISO standards are developed.
  - d. ?
  - e. Do you think that without the directive there would have been different noise limits and standards across Europe? Orgalime's members and sectors believe that there would probably be different noise requirements (ex: job-site noise limits, different usage time).
  - f. Do you think that the market would have moved anyway toward less noisy products? (e.g. manufacturer would have invested anyway in related R&D)  
Manufacturers placing their equipment on the market would anyway take noise requirements into account in the design of their products, provided it is technically feasible. Please bear in mind that manufacturers do not have any control over process noise. For example, construction equipment that moves rocks such as road construction equipment where the noise cannot physically be avoided by redesigning the machine, as it is generated at the interface of the machine and its surroundings.
  - g. Main shortcomings? (e.g. significant administrative burden) When setting limit values, it is important to remember that conformity assessments are very expensive for the companies (and more specifically for SMEs). Please also note that it is industry that invests time in the elaboration of standards and money to place quieter equipment on the market as requested by the Directive -The data-base and the third-party certification are an administrative burden for the manufacturers.
6. Are there sector or type of equipment for which compliance with the directive is more challenging, and breaches of Noise limits are more frequent? Sectors to reply.
7. Which market sectors (consumer, public authorities, rental companies, industry, others) or areas set the most or strongest requirements on outdoor equipment noise emission? Does the Directive set a benchmark in this respect? The market sector that places requirements on outdoor noise equipment is mainly related to national authorities/public procurement.

8. Who are the main stakeholders we should talk to (e.g. manufacturers, distributing companies, importers, etc.)? **Manufacturers who are placing their equipment on the market know their products and understand users/consumers' needs best.**
9. Are there any barriers for all stakeholders involved, in terms of practical and legal issues, in complying with the Directive? **The barriers are different according to the stakeholders. Challenges to overcome are different for the different types of stakeholders. For manufacturers, the compliance with stricter limit values will imply economic investment whereas for national authorities for instance, it will be to identify non-compliant products or false declarations on noise limits. This is all the more true, as the activities of market surveillance authorities are almost non-existent and largely ineffective. Manufacturers have to comply with all applicable EU legislation. Other legislation defines specific requirements for the product (for example safety, exhaust emissions, noise). Some product characteristics can lead to imposing contradictions for the design of the product. It is therefore paramount to find the best possible balance.**
10. **Are you aware of unfair competition? (e.g. incorrect marking, falsely declared values, etc.) If so, do national authorities, and EC take appropriate steps?** **Unfair competition exists in most of the sectors and so far, the EC has not taken adequate measures to fight this situation.**
11. **What alternative options/solutions are needed to overcome such issues?** **The EU should take harmonised measures to help market surveillance authorities to operate. All stakeholders are aware that this has not been the case up to now.**
12. **What is the impact of the Directive on SMEs in comparison to larger enterprises? What would be its impact on SMEs in the case of revision with stricter noise limits?** **Larger companies certainly have more financial resources to allocate to R&D and more staff to dedicate to the elaboration of standards. Equipment which measures limit values is very expensive for companies to acquire. The development of quieter equipment can be very challenging and many SMEs could simply disappear from the manufacturing sector. This would run counter to stated EU policy.**
13. **Could you identify the cost elements of the Directive and highlight the ones that are more resources-demanding (manpower, time, etc.)? (e.g. R&D, assessment procedures)** **As repeatedly mentioned, it is important to highlight the costs related to third party certification for manufacturers and those related to noise testing production control. Third party certification can be time consuming and also increases the cost for the manufacturer often leading to longer equipment/project development time.**
14. **What is your opinion of the conformity assessment procedures? Please also consider the following indicators and suggest additional ones if needed:**
- a. **Technical documentation required**
  - b. **Response time**
  - c. **Frequency of random checks**
  - d. **Test conducted by NB**
  - e. **Check of NB on QA systems**
- Specific answers to these questions will be given by sectors/manufacturers.**
15. **Are you able to provide data on the frequency by which conformity assessment procedures are selected by type of company (do you consider the selected categories adequate)? You may express such frequency as % of total procedures by category**

	<i>Less than 10 employees</i>	<i>Between 11 and 50 employees</i>	<i>Between 51 and 250 employees</i>	<i>More than 250 Employees</i>
Evaluation prior to placing on the market and during production Annex VI "Internal control of production with assessment of technical documentation and periodical checking" (Art. 12)				
Evaluation prior to placing on the market and during production Annex VII "Unit verification" (Art. 12)				
Evaluation prior to placing on the market and during production Annex VIII "Full quality assurance" (Art. 12)				
Evaluation prior to placing on the market and during production - Annex V "Internal control of production" (Art. 13)				
Total	100%	100%	100%	100%

#### Sectors to answer

- 16. Are manufacturers investing in research and development (R&D) to reduce noise levels of outdoor equipment? What percentage of R&D is spent on exterior noise reduction for outdoor machinery?** [This will depend on each sector/company.](#)
- 17. Does the production of less noisy products give an edge on the international market?**  
[As already stated, there exists very little legislation related to noise requirements in other parts of the world compared to those imposed on manufacturers in the EU. The market does not request less noisy, but rather safer one. \(see answers I 5.B\).](#)
- 18. What would be the additional costs of 2-3 dB noise reduction, in terms of R&D and production costs?** [Let us hear what the sectors/manufacturers have to say on this. The proposal to reduce noise by 2-3 dB means cutting noise by 50% and most of the time, this is just not possible for the operation of the equipment. Furthermore, manufacturers have already invested in R&D to place quieter equipment without necessarily having recouped the cost of this investment on the market and a reduction is, most of the time, technically not feasible.](#)
- 19. Which label design would you consider to be the best in your opinion (taking into account the various proposals: as is, colour label, dynamic label, or other)?** [Orgalime members and sectors would favour a label that would not bring confusion for](#)

users/consumers, that is one that is simple to understand and without any colour. The current label system should be maintained as it is.

**20. What economic benefits and drawbacks would you see in modifying the equipment list in the Directive? (e.g. conflict with machine performance).**

As it is supposed that a modification of the equipment list either includes new products which were not impacted by the Noise Directive until now or migrating some equipment which is currently under Art. 13 to Art. 12, this will certainly trigger many kinds of drawbacks: economic and financial burden for those companies' products which were not in the scope of the directive or would migrate from Art 13 to Art. 12 (with the consequence of new costs for conformity assessment), whereas the economic benefits are non-existent as there is no such request from the market.

**21. What economic benefits and drawbacks would you see in modifying the noise limits in the Directive?**

Modifying (we presume reducing) would certainly mean further investment for companies (compared to their international competitors), product design restriction and may even lead to certain products disappearing from the market.

**22. What economic benefits and drawbacks would you see in modifying the conformity assessment procedure (in particular by replacing it with a self-certification)?** If by modifying the assessment procedure what is meant is to replace it by self-certification of products, the economic benefits are obvious: performing a conformity assessment through notified bodies is expensive and companies have a longstanding experience of placing machines on the market using the self-certification (please bear in mind that most products in the OND are also under the scope of the MD which uses as a basis self-certification – Manufacturers' declaration under Module A). Self-certification would reduce costs for both manufacturers and *de facto*, for users/consumers.

**23. Do you have access to the EC outdoor machinery noise database? If so, what is your opinion about it?**

Unfortunately, the EC database on noise has not reached its primary objective of information to citizens/users or public alike about the noise limits on equipment used outdoors. What is observed is that the information contained in it is not always accurate, and sometimes even non-existent. The database tool has failed to reach its objective and should be dispensed with. Nevertheless, it is commonly agreed that a new information tool should be developed. The main aim of this new tool would be to help market surveillance authorities for enforcement in ensuring the compliance of the products. The format of this new tool should be developed together with industry. It should remain a valuable tool for manufacturers and not be a burden for them. Orgalime is willing to support such an approach as best as possible in collaboration with the affected sectors.

**24. Are there specific aspects or issues that the evaluation and impact assessment should consider?**

Please bear in mind that whatever recommendations or policy options are put forward, these can have huge impact: not only economic for both companies and final users, but also for the competitiveness of these companies towards their international competitors. Changing limit values, even to a small extent, could also have dramatic consequences on the costs of the products: both manufacturers and users will pay the bill with consequences for the whole EU economy.

Orgalime also recommends the consultant to look more into detail at the test methods and measurements.

Orgalime also urges the consultant to assess the removal from the body of the legislation of any reference to standards (see our Orgalime position).

**25. If you provided a paper to the Noise Expert group in 2015/2016, is there any more to add to this?**

Orgalime provided 3 general positions drafted in co-operation with sectors. These were on more general/horizontal issues. Sector specific positions papers will be submitted to the consultant separately.

**26. Would you be available to put us in contact with several manufacturing companies who are members of your organisation for a short interview?**

Orgalime has already had an interview with the consultant. We are ready to co-operate and liaise with sectors impacted by the measures.

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