



DG TRADE - Survey on Mutual Recognition Agreements (MRAs)

Summary Report

July 2023

1. Context and Rationale

When exporting to countries outside the European Union, companies must undertake an assessment of a product's compliance with the regulatory requirements of the importing country, a so-called 'conformity assessment'. As proof of compliance, it is often required to submit the product to certification and testing by conformity assessment bodies and laboratories located in the importing country. This means additional time and costs for exporters, which is especially burdensome for small companies.

Trade in the 21st century may face lower tariffs, but regulations that affect international trade in goods and services have proliferated. Trade policy can play a crucial role in reducing these unnecessary costs, without impairing the ability of regulatory authorities to carry out their public policy responsibilities. Mutual recognition agreements (MRAs) are a concrete trade policy instrument, specifically designed to achieve this dual objective. The existing economic literature confirms the importance of trade facilitation effect of MRAs. Several empirical estimates indicate that MRAs increase both the value of exports (15-40% increase) and the probability of small and medium enterprises (SMEs) to export (up to 50% increase).¹

Mutual Recognition Agreements (MRAs) on conformity assessment are instruments that facilitate market access by reducing costs and time associated with mandatory product certification and testing, while maintaining a high level of safety. With an MRA in place, EU exporters can save time and money by relying on the conformity assessment bodies and laboratories located in the European Union. MRAs lay down the conditions under which one Party (Non-EU country) will accept conformity assessment results (e.g., testing or certification) performed by the other's Party (the EU) designated conformity assessment bodies (CABs) to show compliance with the first Party's (Non-EU country) requirements and vice versa.

The EU currently has MRAs with Australia, Canada, Israel, Japan, New Zealand, Switzerland, and the USA. The list of MRAs as well as additional information can be found [here](#).

This survey has three main objectives:

- To raise awareness with regards to the potential of MRAs (these agreements offer significant business opportunities not only to exporters but also to CABs).

¹ For further details, see [How Important are Mutual Recognition Agreements for Trade Facilitation? | \(ecipe.org\)](https://ecipe.org)



- To identify the potential issues preventing EU CABs from becoming designated under an MRA.
- To understand which additional MRAs would be beneficial from the point of view of EU CABs in the future given that most EU MRAs were concluded more than 20 years ago, and they might not cover recent regulatory requirements and developments.

2. Participation rate and respondents' profile

The survey was disseminated online on 23 March 2023 and was available until 28 April 2023.

During the survey period, 69 answers were collected. When analysing the data, duplicates were identified and removed. Therefore, the final absolute number of responses was 59. Furthermore, while assessing the survey results, one needs to take into consideration that the participating CABs represent around 6% of the total CABs within the EU.

The survey was designed in such a way that not all questions were mandatory (i.e., the matrix questions were not mandatory; otherwise, the respondents would be constrained to tick at least one box per each row, which would lead to the distortion of their answers).

The survey respondents are EU Conformity Assessment Bodies (CABs), having ranging sizes:

- 1-9 employees – 22 CABs (38%)
- 10-49 employees – 17 CABs (29%)
- 50-249 employees - 15 CABs (25%)
- 250 or more employees – 5 CABs (8%)

Size of Conformity Assessment Body

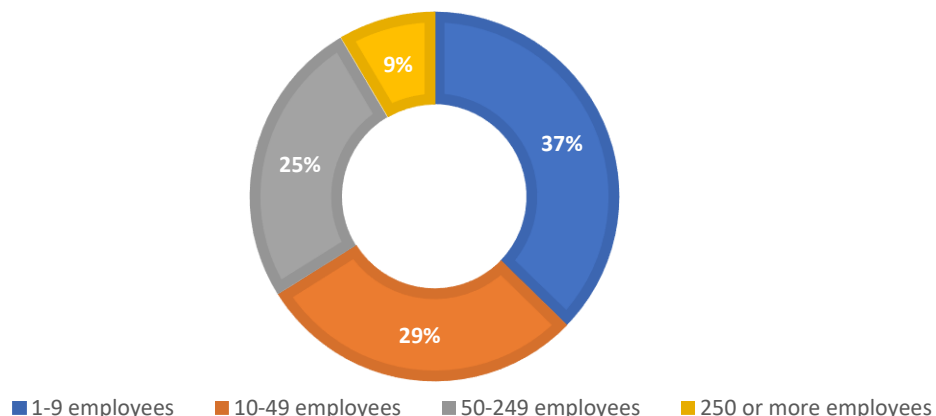


Figure 1. Size of Conformity Assessment Body

Legend: based on the total number of respondents

Regarding the distribution per Member State of the CABs, the survey has good geographical coverage since the answers are provided by CABs spread across 20 out of 27 Member States. The highest number of respondents represent CABs located in Germany and Spain (8 CABs for each). The lowest number of respondents represents CABs located in Croatia, Denmark, Finland, Latvia, Poland, Slovak Republic (1 CAB for each).

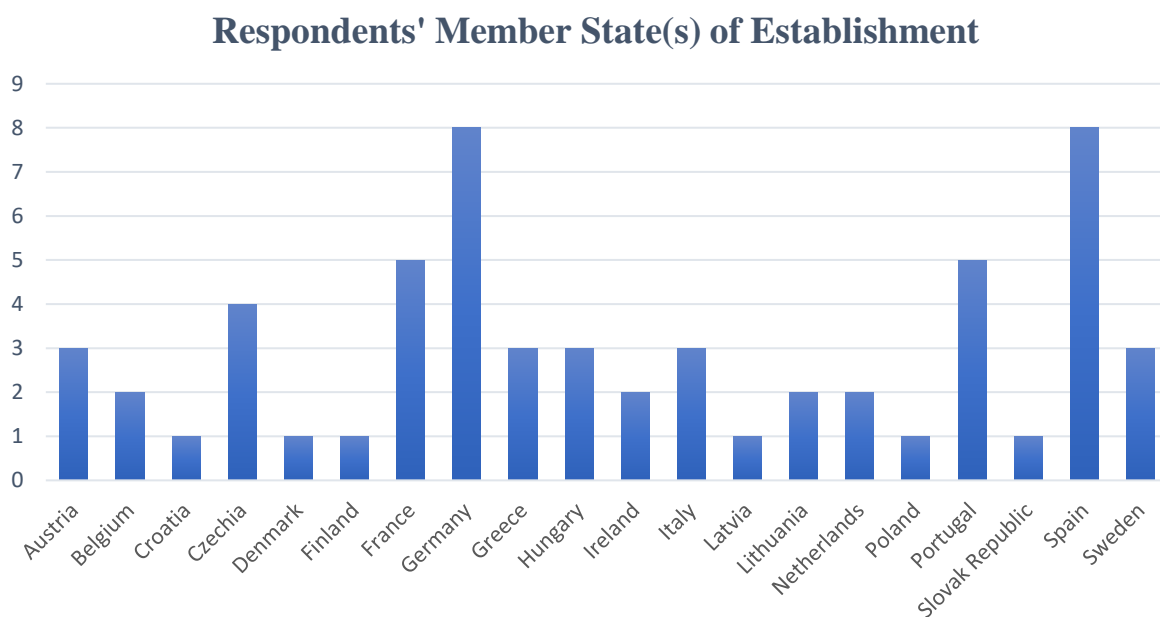


Figure 2. Respondents' Member State(s) of Establishment

Legend: based on the total number of respondents

3. Analysis

➤ Current use of MRAs (based on the survey respondents' inputs)

- MRA/country

Based on the received answers, one could notice the MRAs concluded with Canada (36% of those who responded) and the United States (42% of those who responded) are the most used ones, while the ones concluded with Israel and New Zealand are the least used ones by survey respondents.

- MRA sectoral and country highlights:

- There is equal representation from the survey respondents for the Machinery (50%) and Low voltage equipment (50%) sectors in Australia.
- Radio and telecommunications terminal equipment is the most used sector within Canada (42%).

- In Japan, Radio and telecommunications terminal equipment (100%) is the only sector represented by the CABs participating in the survey.
- There is equal representation of the survey respondents for the Marine equipment and Telecommunication equipment sectors within the US.

Designation of the respondents under current MRAs by sector

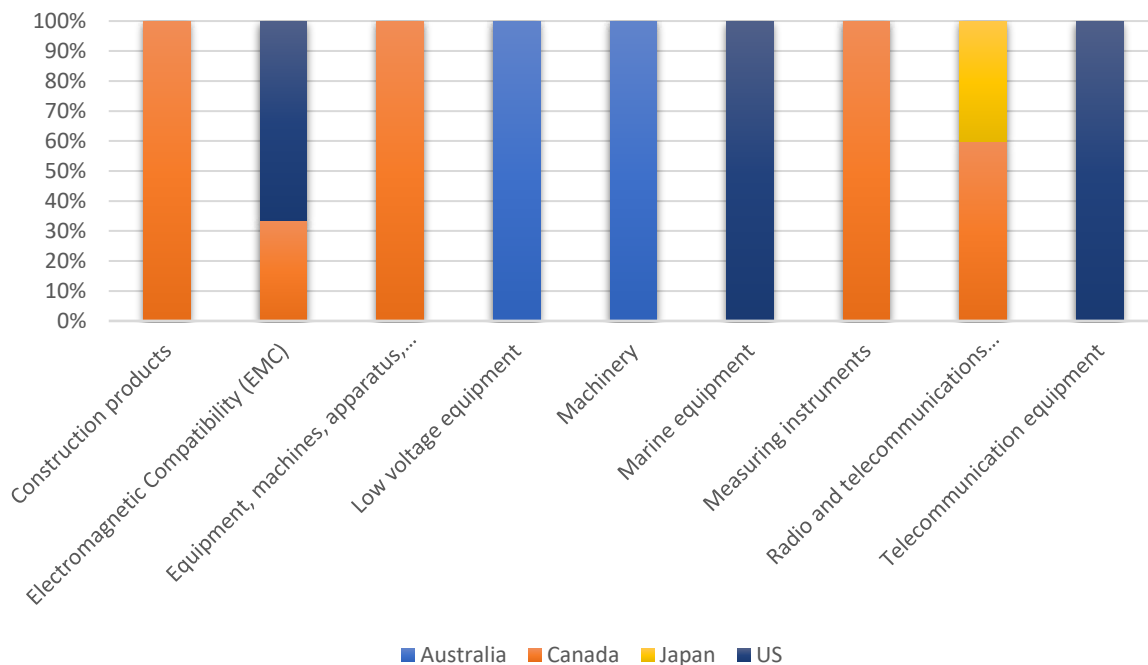


Figure 3. Designation of the respondents under current MRAs by sector²

Legend: based on the total number of respondents

➤ **CABs interested in using or expanding existing MRAs**

59% of the respondents are interested in using or expanding existing MRAs.

² The sectoral designation of CABs is based on the respondents' replies and does not necessarily reflect the information published in the relevant official databases.

CABs interested in using or expanding existing MRAs

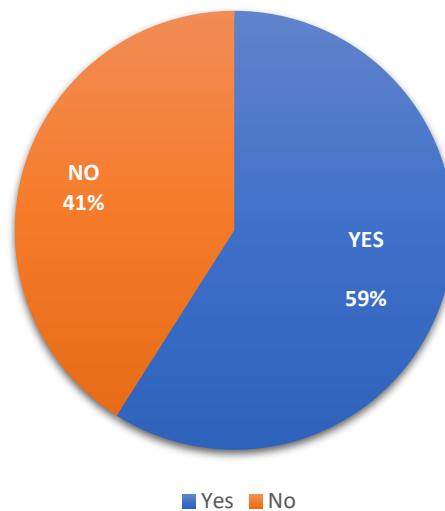


Figure 4. Ratio of CABs interested in using or expanding existing MRAs

Legend: based on the total number of respondents

Among the **existing MRAs** in which the respondents are most interested to use, one could list:

- Australia – Electromagnetic compatibility (EMC)
- Canada – Construction products
- Japan – Electrical products
- New Zealand – Electromagnetic compatibility (EMC), Low Voltage Equipment
- Switzerland – Construction products
- The United States - Electromagnetic compatibility (EMC)

CABs interested in using or expanding existing MRAs' sectoral coverage

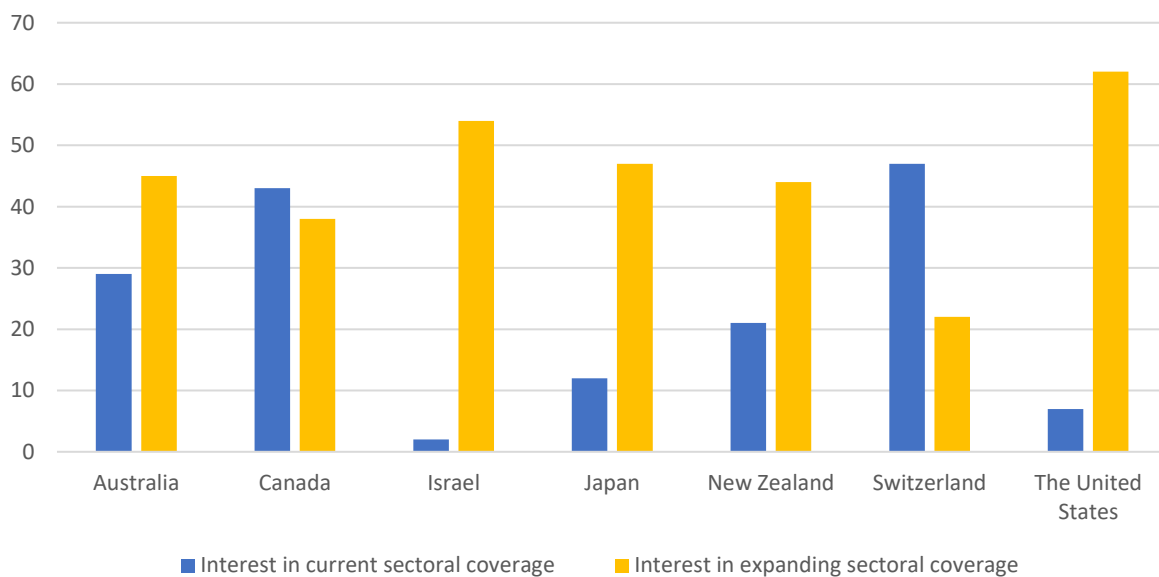


Figure 5. CABs interested in using or expanding existing MRAs' sectoral coverage

Legend: based on the total number of respondents

Figure 5 summarises the survey responses on two critical dimensions for the effectiveness of existing MRAs: (i) the interest of EU CABs in the current sectoral and product scope of the existing MRAs; (ii) the interest in expanding the scope of current MRAs to new sectors and products. In terms of the current MRA scope, **Switzerland, Canada, and Australia** appear to have a good sectoral coverage for the survey respondents. In contrast, the EU MRA with Israel has the lowest interest based on the current coverage. The current sectoral scope of the EU-US MRA also seems inadequate for most survey respondents. As expected, the opposite is true for the interest by EU CABs in expanding the current scope of existing MRAs. **The EU-US MRA stands out as the one where there is the greatest interest in expanding its current scope**, followed by Israel, Japan and New Zealand. This is an important finding, in the context of the EU-US Trade and Technology Council, where there is a mutual commitment to explore ways to enhance the existing [Mutual Recognition Agreements and Conformity Assessment-Related Initiatives](#). The survey can contribute to this objective, in view of the EU and US decision to conduct stakeholder outreach and to facilitate regular expert meetings.

➤ **MRAs in which CABs are interested in covering new MRAs**

57% of the respondents are interested in new MRAs.

CABs interested in new MRAs

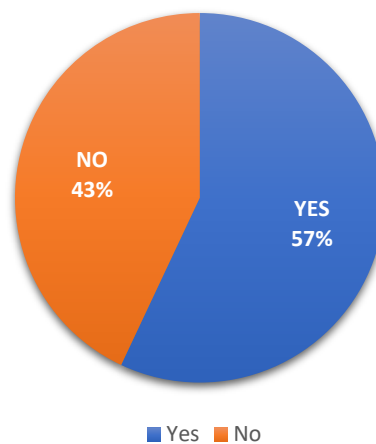


Figure 6. Ratio of CABs interested in new MRAs

Legend: based on the total number of respondents

In order to deduct the interest of the survey respondents in new MRAs, we used a **complex matrix**, allowing them to mix sectoral and geographical suggestions according to their interest.

We made use of **two methodologies** to quantify the responses:

- I. For the **sectoral interests**, we found out the ratio of each sector (by dividing the number of participants who showed interest in a specific sector by the total number of participants who showed interest in all areas), irrespective of geographical preferences, and ranked them.

The **sectors** in which the respondents are most interested in are the following:

- Electrical and electronic equipment – 17%
- Construction products – 14%
- Electromagnetic Compatibility (EMC) – 10%
- Pressure Equipment – 7%
- Radio Equipment – 6%
- Low Voltage Equipment – 6%

CABs interested in new MRAs (sectors)

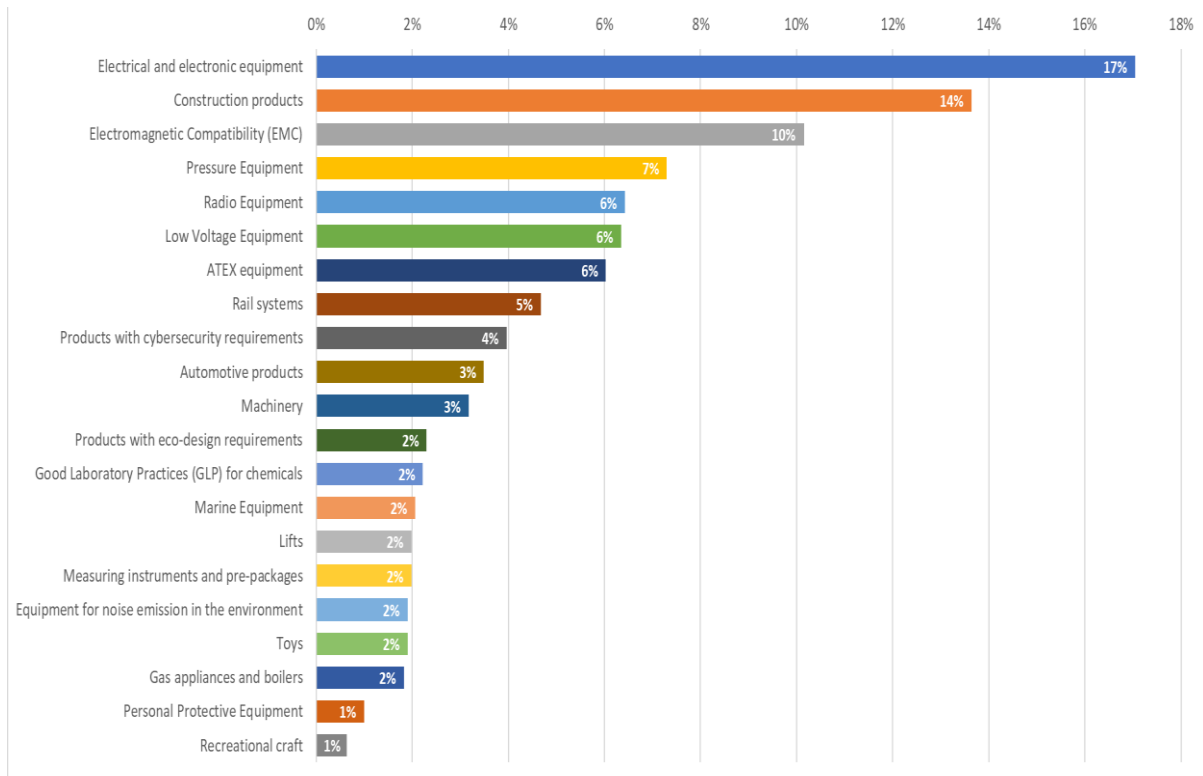


Figure 7. Interest in new MRAs (sectoral representation)

Legend: based on the total number of respondents

- II. For the **geographical interests**, we summed up the number of participants interested in all sectors for each country, found out the average number of survey respondents who showed interest across all countries, and categorized the interest in MRAs per country based on **above** or **below average** values.

The average value of survey respondents who showed interest across all countries was **50**.

The countries for which an **above-average interest** was shown:

- Europe:
 - United Kingdom
 - Serbia
 - Ukraine



- Asia
 - China
 - Taiwan
 - United Arab Emirates
- Americas
 - Brazil
- Africa
 - Morocco
 - Egypt
 - South Africa

The countries for which a **below-average** interest was shown:

- Asia
 - Indonesia
 - Malaysia
 - Thailand
 - Singapore
 - Viet Nam
 - Saudi Arabia
 - Hong Kong
 - India
 - Republic of Korea
 - Qatar
- Americas
 - Chile
 - Mexico
- Africa
 - Nigeria
 - Algeria
 - Tunisia

CABs interested in new MRAs (countries)

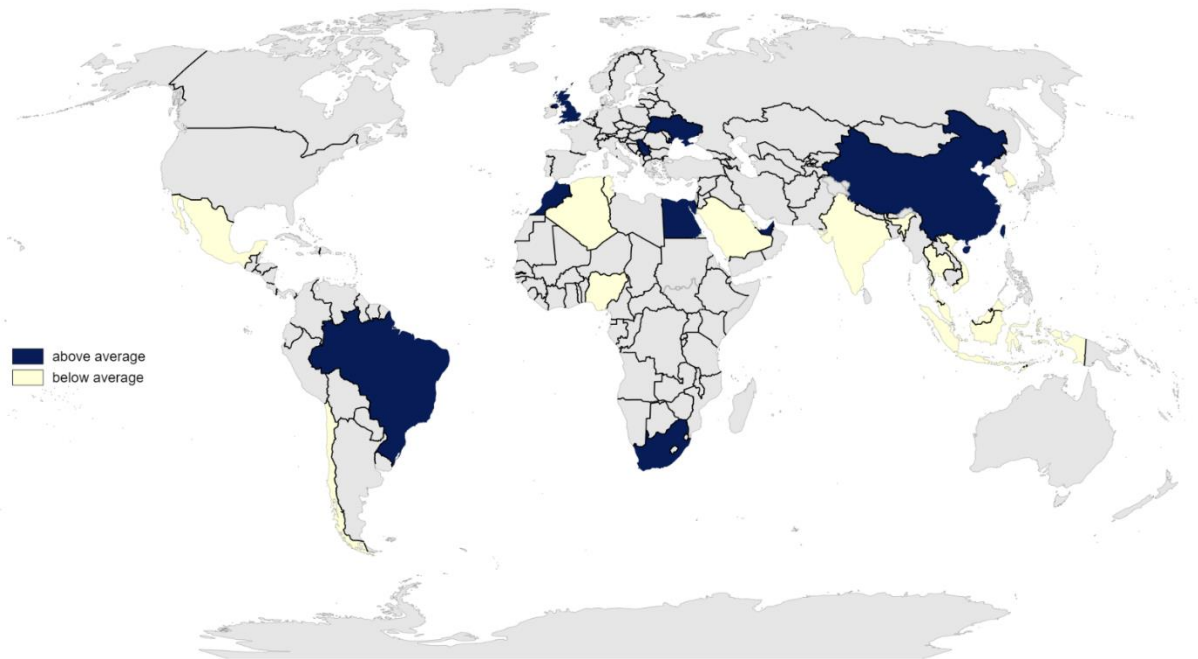


Figure 8. Interest in new MRAs (geographical representation)

Legend: based on the total number of respondents



4. Conclusions

The survey provides insights into the extent Conformity Assessment Bodies (CABs) make use of the MRAs, the type of existing MRAs they would like to use or extend, and the kind of new MRAs they would be interested in.

The questionnaire results cover 20 Member States out of 27, which contributed to making a relevant geographical analysis.

Before drawing any conclusion, one should take into consideration that the survey respondents represent around 6% of the EU Conformity Assessment Bodies (CABs).

The survey revealed that 59% of the respondents are interested in becoming designated under another sector already or potentially covered by an existing MRA. Remarkably, the ratio of CABs interested in expanding the sectoral coverage of the existing MRAs is higher than the ratio of CABs interested in using the current one.

Furthermore, 57% of the respondents would consider the designation as CAB under a new MRA.

The sectors in which the respondents are most interested in, when considering a new MRA, are the following: Electrical and electronic equipment, Construction products, Electromagnetic Compatibility (EMC), Pressure Equipment, Radio Equipment, Low Voltage Equipment.

Regarding the geographical expansion in which the survey respondents showed above-average interest, when considering a new MRA, those are the most listed areas: Europe (United Kingdom, Serbia, Ukraine), Asia (China, Taiwan, United Arab Emirates), America (Brazil), Africa (Morocco, Egypt, South Africa).

The survey showed that, while the existing MRAs are useful, there still is untapped potential. Moreover, it proved the need to raise awareness of the business opportunities MRAs cover.