

# **MEMBERSHIP OF A NATIONAL ASSOCIATION – WHY ?**

## **BACKGROUND**

A great deal of legislation is initiated in Brussels and much of it is highly relevant to suppliers in to the UK HVACR market. Examples are the F Gas Regulation, the Energy Performance of Buildings Directive and increasingly the Energy Related Products Directive (EuP/ErP).

In order to track and influence this legislation, new trade bodies have been formed in Brussels to do so. EPEE was originally established to defend the freedom to continue to use HFC refrigerants, and now EVIA exists to protect the interests of ventilation system providers and associated products such as fans.

The high cost of membership of European trade bodies could lead to companies seeking apparent financial savings by resigning from national trade associations. While superficially tempting, such an approach ignores the realities of subsidiarity and local market requirements.

## **AIM**

The purpose of this paper is to remind companies why membership of a national trade association is essential.

## **LIMITATIONS OF EUROPEAN TRADE BODIES**

**Broad Remit.** A pan-European trade body should take a representative position that reflects the views of members from diverse locations and varying sizes of enterprise. This is often unachievable. Larger companies will seek to dominate proceedings, and states with well developed industry representation will have greater influence.

**Links to Member States.** The staff of a Brussels-based association will probably have good relations with relevant EC officials and possibly some MEPs. However, they will rarely have any contact with member state government departments or politicians.

**Regional Knowledge.** Only the largest, well staffed and best connected European trade body could hope to have an understanding of market conditions in local areas. This is unlikely to be the case for any association in Brussels seeking to represent HVACR interests.

## **BENEFITS OF NATIONAL ASSOCIATIONS**

**Narrower Perspective.** No national trade association can afford to ignore European legislation or international agreements, but their interest is really in how these are translated in to local regulations. Subsidiarity allows member states to interpret directives from Brussels in to their own statutory instruments, leading to diversity of requirements. Equally, states and even regions within federal structures can introduce their own legislation. For example, UK building regulations include detailed specifications on energy efficiency and ventilation for England and Wales, while Scotland has its own versions. Advising local officials, influencing their technical advisers and taking part in national consultations are important and regular tasks for national associations. Companies that are not engaged via national trade bodies will find that their products may no longer match local requirements or will need expensive development to do so.

**Standards Setting.** The convention for access to CEN/CENELEC committees requires nomination by the equivalent national standards authority. Local associations (in UK for example) find it relatively easy to nominate specialists via BSI to take part in such activity. This may not be so simple for a European body.

**Member State Influence.** Although the EC may offer open consultation on proposed regulation, it does not have to heed the views received. Of greater influence is the collective opinion of those civil servants from member states who then participate in closed discussion with EC officials, and who brief national politicians. Access to national government departments in UK is difficult for individual companies but very acceptable when a collective approach is made by a national trade body. Close working relations between trade associations and civil servants is essential for any industry to represent views on both national and European legislation.

**Diversity.** Companies operating across Europe, and further, will rarely have one product or system type in their portfolio. They may have divisions offering very different solutions, some of which could be tailored to quite specific regional requirements. It is unusual for a European trade association to be able to cover all of those eventualities, but it will focus on those limited products addressed by specific legislation. On the other hand, a national association (such as HEVAC/FETA) will seek to represent companies with all products relevant to that region facing national and European directives.

**Solidarity.** European trade groups will typically attract the larger players and not be representative of the whole market. National associations can, and do, contain companies of all sizes, including those SMEs whose views and interests are of considerable interest to

local authorities. Thus, national trade bodies offer market solidarity and a range of stakeholder participation rarely evident in Brussels-based organisations.

Networking. Within the legal constraints of competition law, national trade bodies offer an unrivalled opportunity for competitors to meet, network and cooperate on mutually agreed actions to the benefit of companies in that region and that sector.

## **CONCLUSION**

European Associations. Brussels-based trade bodies are vital links in the relations between industry and the EU institutions. However, they have limitations in defending company interests at the national or regional level.

National Associations. Trade organisations that are close to member state governments can influence both national and European legislation. In addition, they offer an unrivalled opportunity for better understanding of local market conditions and sector issues.

Summary. Membership of a relevant European and national association should not be an either/or decision. They fulfil complementary roles – just as their names suggest. One is sometimes necessary to defend members' interest at the European level in a legislative context, the other has a wider remit at member state level to cover legislation, standards and more commercially-oriented topics. Participation at the national level is the foundation of a company's efforts to influence its business environment.

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