

Raising the Standard

How to unlock the geopolitical potential of Europe's internal market

Rem Korteweg
Diederick van Wijk

Clingendael Report



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Executive Summary

The European Union's internal market is a critical source of economic strength and resilience, but it is increasingly under pressure from geopolitical and technological shifts. Global economic relations are changing due to great power competition, a return of industrial policy and the weaponisation of economic ties. Trade, technology and standards are not neutral or purely technical matters – they are tools of economic and geopolitical influence. For the EU, this raises urgent questions: how to protect competitiveness, deepen the single market, and maintain influence in a changing geopolitical context?

Standardisation is central to this challenge. Standards are the lubricant of the internal market. They underpin efficiency, innovation and interoperability within the EU, and enable scale that allows European industries to compete globally. Studies from across the EU show that standardisation contributes substantially to annual GDP growth, explain up to a quarter of labour productivity growth, and significantly enhance export performance. Harmonised European and international standards are strongly correlated with long-term economic growth. Yet delays in harmonisation inside the EU or divergence with global standards can impose heavy costs on European firms, raising the prospect of higher administrative burdens rather than boosting competitiveness.

China has emerged as a “standardisation superpower”, linking its influence in international standardisation bodies such as ISO and IEC with strategic ‘Belt and Road’ and ‘Digital Silk Road’ investments. The United States appears to be shifting towards a more state-led approach as well. Both see standards as arenas of geopolitical influence. Europe's hybrid model – which combines top-down EU guidance with a bottom-up process that involves companies and stakeholders – has strengths, but also vulnerabilities that need to be addressed.

European standardisation faces a challenge of timeliness, namely how to produce standards at the speed that contemporary geopolitics requires? This necessitates a more streamlined process, including improvements in how harmonised standards come about. Pre-notification by the Commission to help prepare European standard-setting organisations and mandating pre-assessments regarding the feasibility of standardisation for particular products of services would be useful practical improvements. More importantly, this

requires addressing weaknesses and vulnerabilities in the current system. Europe's hybrid system of standardisation relies on the participation of all national standard-setting organisations and relevant private sector stakeholders.

The European system is only as strong as the weakest link. National standard-setting organisations have a responsibility to improve their in-house capability to respond to new standard-setting requests at speed. Part of this is to ensure high-level expertise is readily available, particularly for standardisation requests concerning advanced technologies. At the same time, private sector actors appear to be downscaling their standardisation expertise. This is a key vulnerability as the European system also relies on the timely identification of standardisation interests by the private sector.

Meanwhile, legal challenges such as the *Malamud*-ruling, which calls for making technical standards publicly available, raise questions about the sustainability of Europe's reliance on harmonised standards. At the same time, alternative ideas, such as a broad application of "Common Specifications", risk uncoupling Europe from international standard-setting practices. This alternative system could contribute to trade fragmentation, harm export opportunities for European firms and damage Europe's attractiveness as an investment destination. Additionally, it would increase administrative complexity for European firms at a time when the Commission is pursuing a simplification agenda.

The stakes are high. Standardisation is no longer only about consumer safety or technical efficiency – it is about shaping the rules of the digital and green transitions, about competitiveness in AI, semiconductors, hydrogen, 6G and biotech, and about projecting (or protecting) European values internationally. Europe faces a choice: to update the existing system by building capability, increasing timeliness and deepening international engagement, or to risk marginalisation in a global standards race increasingly defined by Chinese and American state power. The dilemma that the EU will have to confront is this: How can the EU build a standardisation system that protects European geopolitical interests, promotes competitiveness and increases internal market cohesion, without contributing to a fragmentation of international standards?

This report concludes that the EU should not abandon its hybrid model but invest in making it more strategic and resilient. The European Commission should strengthen standardisation's role in its industrial policy, integrate it into its pursuit of economic security and articulate clear priorities. Common Specifications

should remain an exceptional tool, used only in cases where core security interests of the Union are at stake. For this, the EU should develop a framework why and under what circumstances an alternative to the existing system should be used. National standard-setting organisations should develop a strategy how to increase the timeliness of the system. Above all, the EU must reinvigorate cooperation with allies, mobilise its private sector, and engage internationally to prevent fragmentation of standards. A stronger, more strategic European approach to standardisation will not only boost competitiveness but also strengthen the internal market and enhance the EU's geopolitical position.

1 The geopolitical importance of trade and the European single market

This paper explores how geopolitical developments are impacting the European system of standardisation, and how Europe's approach to standards should adjust. The EU faces profound geopolitical and economic challenges, leading to the return of industrial policy. Great power competition has intensified and is challenging preconceptions about economic interdependence and global trade. Instead of ever greater economic liberalisation, the global economy has entered a period of 'weaponised interdependence', where countries that hold dominant positions in parts of the global economy are used as tools of economic coercion.¹ For global trade, it foreshadows a period of turbulence and growing complexity. For economic actors which thrived under the previous model of open trade, such as the European Union, it raises profound questions how to continue to compete and prosper. Changes in the global trade environment call for greater resilience, diversification of trade ties and doubling down on the European internal market. At the same time, European member-states face tests to their national security, which require additional resources. They must find the funds and develop the industrial capability to remilitarise in light of Russia's war in Ukraine and the military challenge this poses for the security of the European continent. Confronted with high energy prices, ballooning social welfare costs and limited economic growth, the EU and its member-states must boost innovation, increase productivity and accelerate the digital and green transitions.

These challenges necessitate a strategic approach to the sources of European economic power and the European internal market in particular. Simply put, a stronger internal market will enable the EU to better weather the geopolitical storms unleashed by Presidents Trump, Putin, Xi and others. In the past two years, authoritative reports have covered this question at the behest of the European Commission. The 'Letta report' on the EU internal market and the 'Draghi report'

1 Henry Farrell and Abraham L. Newman, "[Weaponized Interdependence: How Global Economic Networks Shape State Coercion](#)," *International Security* 44, no. 1 (2019): 42–79.

on the future of European competitiveness outline a powerful agenda for change.² But there is more to be done.

The European Union is heavily dependent on trade. Trade intensity measures the level of importance of international trade for a region or economy. It is the sum of exports and imports divided by GDP. The trade intensity of the European Union is 92 per cent (2024 figures). By comparison, for the United States the figure is 25 per cent and for China it is 37 per cent. It suggests that the EU is more exposed to developments in trade policy than other geopolitical powers. Certainly, one of the reasons why the figure is so high, is because of the importance of intra-EU trade, the European internal market. For instance, EU member-states trade nearly more than five times more with each other (4.14 trillion euros in 2023 for goods) than the EU27 as a whole does with the United States (850 billion euros in 2023). It goes to show how important trade is to the EU in general, and how important the internal market is specifically.

There are also geopolitical reasons why international trade and the EU single market are so important. The EU aims to increase its overall resilience and strategic autonomy. If the EU wants to reduce its unwanted strategic dependencies and overreliance on single-source suppliers – such as in the area of energy sources, critical materials, high-tech goods, military equipment or digital services – than a wider network of trade relations as well as a deeper European single market are necessary.

It heralds the development of a European foreign economic policy that integrates industrial policy with trade policy instruments. One oft-overlooked element in discussions how best to equip the European Union to deal with the new geopolitical context is the role of standardisation. If diversification of trade relations as well as a deeper internal market are key then standardisation has a role to play.

This research is based on desk research and a literature review; interviews with key stakeholders in the Netherlands' standardisation ecosystem; and the results of an expert workshop. On July 16, the Clingendael Institute organised

2 Enrico Letta, [*Much More than a Market: Speed, Security, Solidarity*](#) (Brussels: European Commission, 2024); Mario Draghi, [*The Future of European Competitiveness*](#) (Brussels: European Commission, 2024).

a one-day workshop on the geopolitics of standardisation with approximately 50 experts and representatives from standardisation bodies in the Netherlands, the government of the Netherlands, relevant regulatory bodies and business associations. The workshop focused on assessing the state of the current standardisation system, the challenges and opportunities it confronts in light of international developments, and how the system could potentially adapt.

This report is structured as follows. First, we explore the importance of standardisation to the European internal market and competitiveness. Then we highlight standardisation's economic value, before addressing the 'geopolitical turn' in standards which is generating a renewed sense of urgency. We focus on the Chinese and American models and how the international standardisation system is changing, including in response to growing geopolitical competition. The subsequent chapter zooms in on the pressures impacting Europe's standardisation system and attempts to respond to them, before concluding with recommendations how the European standardisation system can adapt to make it fit for purpose in a new geopolitical context.

2 Standardisation as an essential ingredient of competitiveness

Standardisation lies at the heart of European integration. It is part of the essential mechanics that enables the internal market to function and thrive. There is both a bottom-up and top-down rationale in favour of common standards in the EU. Uniformly applied across the EU27, they improve efficiency, quality control and interoperability as well as increase intra-EU competition. They allow economies of scale to be achieved and lead to productivity gains, enabling European industries to compete more effectively on a global scale. Uniform standards – for instance in the automotive sector – allow value chains to emerge and enable innovation by creating a level playing field. They also promote interoperability in future complex product systems – such as the Internet of Things, semiconductor manufacturing, and battery value chains. Anu Bradford, professor at Columbia University, makes clear that if Europe wants to reap the benefits of Artificial Intelligence, for instance in the healthcare sector, standards will be key:

“The absence of a DSM [Digital Single Market with uniform digital standards] holds European tech companies back in many industries, few of which have received particular attention in recent years. One 2021 study documents the difficulties in deploying AI in [Europe’s] healthcare industry, in part because there are no harmonized standards on data quality, health-related cybersecurity protocols, standardized electronic health records, or infrastructures for exchanging health data across Europe.”³

Standards can have different outcomes, depending on the policy objective. They are instruments through which large societal initiatives – for instance the ‘twin transitions’ to green and digitise Europe’s economies – can be promoted across the EU. They facilitate the uniform development of systemic changes

3 Anu Bradford, [“The False Choice between Digital Regulation and Innovation,”](#) *Northwestern University Law Review* 119, no. 2 (2023).

in the European economy and enable the adoption of certain technologies to be tracked across all member-states. Here there is a close link with regulation. Regulations can mandate the creation of new harmonised standards in order to achieve certain societal goals. For instance, harmonised standards in 6G infrastructure, grid components, hydrogen infrastructure or tracking carbon emissions will be key to achieving the EU's green and digital objectives. An additional upside is that this could also yield substantial opportunities for European export sectors.

One of the arguments put forward by the European Commission is that privacy standards (as lodged in the EU's GDPR directive) could offer EU companies a competitive advantage, as consumers are more likely to trust technologies governed by stronger data protection frameworks. This connects closely to the so-called Brussels Effect, where the influence of the EU extends globally not only because of the size of its internal market, but also because of its dense regulatory environment.⁴ Precisely this combination gives EU standards their 'export value', as multinational companies often find it more efficient to adopt European standards and apply them globally.

For example, despite Brexit, the UK continues to align with many EU standards instead of developing its own, mainly because the EU remains its most important export destination. This has also contributed to the UK remaining part of the ecosystem of European standard-setting bodies. As part of the recent EU-UK 'reset' announced in May 2025, London and Brussels have decided to develop an agreement on sanitary and phytosanitary standards. Once concluded, this would align UK and European food standards. While important in terms of facilitating trade in agrifood products between the UK and EU, it would have the geopolitical benefit of further developing EU-UK ties at a moment when the UK and the European continent face common strategic challenges. Standardisation then contributes to trust-building. An additional consideration is that in third countries – particularly in emerging economies – European standards are often seen to be the 'gold standard'.

At the international level, standards foster trade and innovation. They can level the international playing field and boost competition, as well as increase trust

4 Elisabeth Christen, et al, "[The Brussels Effect 2.0: How the EU sets global standards with its trade policy](#)", FIW – Research Reports, October 2022, no. 7.

among market-participants, while giving European firms a distinct advantage if European standards can be adopted globally. But standardisation can also reduce the risk of unwanted power concentration, as seen currently with broad societal concerns in Europe regarding the dominant positions of US tech platforms. Here, specific European standards on digital services can open up the European market to new entrants.

The pursuit of international standards is also a way to prevent the development of competing models, thereby reducing efficiencies. As the ‘Draghi Report’ recommends with respect to automotive standards:

“[The EU should seek to] promote technical harmonisation and standardisation at the highest global level, e.g., at the UNECE World Forum for Harmonisation of Vehicle Regulations and the WTO Technical Barriers to Trade Committee. Both the EU’s own legislation and automotive regulations within third countries should align with UNECE regulations.”⁵

Business surveys and case studies highlight, for instance, that delays in publishing harmonised European standards, or divergences with international standards, create significant costs by shortening the time companies have to adapt their products.⁶ At the same time industry associations stress that the problem lies less in the existence of standards per se and more in fragmented or slow harmonisation processes. When standards are timely and internationally aligned, they are generally seen to reduce rather than to increase burdens.

5 Mario Draghi, [*The Future of European Competitiveness*](#) (Brussels: European Commission, 2024, p. 156 (Annex B)).

6 Dansk Industri, [*A study of EU regulatory burdens in construction, manufacturing and retail in Denmark*](#) (Copenhagen: Dansk Industri, 2025).

3 The economic value of standards

Former Italian prime minister Mario Draghi writes in his report that “remaining trade frictions in the EU mean that Europe is leaving around 10% of potential GDP on the table”⁷. In 2023 the EU’s GDP totalled 17 trillion dollars. Most of these trade frictions come in the form of non-tariff barriers and are related to the incomplete nature of the European internal market. Non-tariff barriers may include differing national regulations on product standards, such as differences in labelling or safety guidelines. ‘Gold-plating’, or the practice of adding additional national requirements on top of agreed European standards and rules is equally an obstacle to a smooth functioning of the internal market. Some – though certainly not all – of these issues can be addressed through smarter standardisation.⁸

Standards generate tangible economic value. Multiple studies across Europe have sought to quantify the contribution of standard setting to productivity, growth and trade. For example, in Germany, standardisation is estimated to contribute around 16,8 billion Euro annually, which is equivalent to 0,72% of GDP, with long-term contributions of almost one percentage point of additional year-by-year growth.⁹ Studies in France have shown that standards can be linked to 0,81 percentage points of annual growth for the French economy, representing nearly a quarter of the country’s economic expansion over several decades.¹⁰ In the United Kingdom, a recent study showed that standards have contributed to 23% growth of UK GDP and 38% of UK productivity growth since 2000, which has added a cumulative GBP 161 billion to the British economy.¹¹ A similar effect is visible in Scandinavia and the Netherlands, where standards are estimated

7 Mario Draghi, [*The Future of European Competitiveness*](#) (Brussels: European Commission, 2024); Jan in ’t Veld, “[Quantifying the Economic Effects of the Single Market in a Structural Macromodel](#),” Discussion Paper 094, February 2019.

8 Other barriers include the incomplete European market for capital and banking, digital services, IT services or energy.

9 Blind, Jungmittag, & Mangelsdorf, [*The Economic Benefits of Standardization: An Update of the DIN Study*](#) (Berlin: DIN Deutsches Institut für Normung, 2012).

10 AFNOR, [*Normalisation: Un levier de compétitivité pour la France*](#) (Paris: AFNOR, 2009).

11 BSI & Centre for Economics and Business Research (Cebr), [*The Economic Impact of Standards in the UK: Update 2022*](#) (London: BSI Group, 2022).

to explain 25% of labour productivity growth and 9% of export growth.¹² In the Netherlands, this has amounted to 885 million Euro in additional annual GDP.¹³

At the European level, harmonised standards appear particularly powerful. A 2021 panel study of fifteen EU member states shows that European and international standards have a statistically significant positive effect on long-term economic growth. The study notes that the results for national standards are less convincing.¹⁴ One explanation for this may be that the adoption of supranational standards facilitates international trade whereas national standards do not, and given the importance of trade to the European economy – as illustrated above – this has an outsize effect on European GDP. Harmonisation of standards also strengthens the EU's competitive position internationally. Research from the Banque de France equates international alignment of standards to a tariff reduction of roughly 2.1 percentage points.¹⁵

These figures show that there is a clear economic and strategic case for a European standardisation system and that it is not just a technical tool. At the same time there are some methodological caveats that most studies mention. Economic growth and standardisation often reinforce each other, making causality difficult to measure, and most studies rely on counting the total “stock of standards”, which in itself says little about the quality or actual uptake of standards. Regardless of this, the consistency across national contexts makes the aggregate conclusions of these studies more robust – a well-functioning and internationally connected standardisation system boosts growth, strengthens the single market, and enhances Europe's strategic position globally. These economic gains underline why the EU cannot afford complacency. Standardisation is no longer a merely technical process, but a delicate field where strategic and geopolitical rivalries now play out.

12 Menon Economics, [Macroeconomic Benefits of Standardisation, Evidence from Six Northern European Countries](#) (Oslo: Menon Economics, 2023).

13 Ibid.

14 “When distinguishing between national and supranational [European] standards, it is shown that this overall positive growth effect of standardization is driven by the stock of European and international standards in the economies. Those standards possibly trigger economic growth by facilitating the exchange of knowledge in-between the countries as well as between the countries and the world. National standards, however, have no significant effect” Blind, Ramel & Rochell, [The Influence of Standards and Patents on Long-Term Economic Growth](#), *Journal of Technology Transfer* 47, no. 4 (2022): 979–999.

15 Banque de France, [International Trade and Technical Standards: Tariff Equivalent Impacts](#) (Paris: Banque de France, 2020).

4 It's the geopolitics, stupid

State involvement in standard-setting is back, as economic powers realise that standards are also an instrument of geopolitical influence. Simply put, product standards can consolidate, expand or constrain political and economic power. While standards were long regarded primarily as technical instruments, recent geopolitical shifts have brought their strategic implications into sharper focus. Europe wants to be a standard-maker rather than a standard-taker. But this ambition is increasingly under pressure.

Standardisation is an instrument of industrial policy to improve European economic security. In light of concerns about deindustrialisation, lagging European productivity growth, defense industrial needs, cyberthreats, vulnerabilities to critical infrastructure, and trade tensions, standardisation is receiving renewed attention. As Tim Rühlig describes it:

“Technical standard-setting, long a domain of cooperation and competition among primarily private actors, has increasingly turned into a central arena of geopolitical rivalry. Technical standards are not a natural subject of geopolitical rivalry since they are essentially a piece of voluntary private self-regulation.”¹⁶

The changing nature of global economic relations has increased the role of the state in the global marketplace, thrusting standardisation into the limelight. As Alexi Drew points out:

“The market-driven self-regulation model of technical standards has proven itself unsustainable given the geopolitical power achievable through the control of these standards.”¹⁷

16 Tim Rühlig, [*The New Geopolitics of Technical Standardisation*](#), (Future Europe, 3(1), 10 April, 2023) p. 102–109.

17 Alexi Drew, [*The Critical Geopolitics of Standards Setting*](#), Transatlantic Dialogue on China (London: Royal United Services Institute, May 7, 2021).

China's top-down model

The international system of standardisation is shifting with state-centric models becoming more prominent – especially due to China's ascent. This follows the Chinese example, which, as a recent Clingendael report by Alexandre Gomes and others points out, China has pursued a strategic and centralised approach for some time:

“Overall, China's approach demonstrates strategic planning, with standardisation seen as a key component of its industrial and innovation policy. Driven by strong government involvement and capabilities, China is increasingly positioning itself as a leading player in shaping international standards.”¹⁸

China has become a standardisation superpower. It combines influence in international standard-setting bodies such as the International Standardisation Organisation (ISO), which operates on a one-country-one-vote principle, with strategic 'Belt and Road' (BRI) investments in developing economies—many of whom hold ISO voting rights.¹⁹ As China's global footprint expands, so too does the adoption of Chinese standards and underlying philosophies on standardisation, and its increased global footprint allows it to leverage improved relations with third countries to promote its standards in international bodies.

China has a very deliberate and strategic approach to standardisation whereby it embeds standardisation as part of its broader industrial policy ambitions, ranging from digital technologies to electric vehicles, infrastructure, green tech, critical materials and biotechnology.²⁰ The transmission mechanism for greater Chinese influence on international standard-setting is two-fold: China is building its influence in international standard setting bodies, such as the ISO, and on the other hand it is more actively promoting its own standards.²¹ One oft-heard

18 Gomes, Okano-Heijmans, Sainato, Ten Oever & Lüdtke, [Standardisation with Chinese Characteristics? The Missing Pillar in Rebooting Europe's Industrial Policy](#) (The Hague: Clingendael, July 7, 2025).

19 John Jiong Gong, [China's Evolution in International Standardization: From Follower to Global Leader](#), World Bank, (Washington, DC: World Bank, 2025).

20 Gomes, Okano-Heijmans, Sainato, Ten Oever & Lüdtke, [Standardisation with Chinese Characteristics? The Missing Pillar in Rebooting Europe's Industrial Policy](#) (The Hague: Clingendael, July 7, 2025).

21 Zúñiga, Burton, Blancato & Michael Carr, [“The Geopolitics of Technology Standards: Historical Context for US, EU and Chinese Approaches,”](#) *International Affairs* 100, no. 4 (2024): 1635–1652.

characterisation is that the Chinese government allocates substantial resources to develop standards, attend technical meetings, and lobby for its preferred outcomes.

China has also fostered national champions – firms with enough global presence to shape standards themselves – and has explicitly linked BRI investment projects to the adoption of Chinese standards. In many cases, Chinese firms not only execute infrastructure projects but also introduce their own – Chinese – standards and technical frameworks.²²

But it is not just about achieving an economic advantage. Standardisation can have profound implications for national security and values. For instance, uncertainty over the handling of digital information, the way in which cyber-security is organised in digital systems, or diverging privacy rules embedded in standards, raises fundamental questions. Tim Rühlig notes:

“Just as technology is not value-neutral, technical standards discreetly spread political and societal values. [...] This is one of the reasons why technical standards have been described as social institutions. The acceptance of Chinese standards can spread China’s values regionally or even globally, and once adopted, standards and their inherent values remain largely unchallenged.”²³

These developments dovetail with growing concerns about China’s autocratic style of governance and how this may translate into an approach to standards that is different from – or even opposed to – European understandings of human rights, privacy and security. The concerns have been particularly pronounced concerning the introduction of 5G technologies and its impact on cyber security, data privacy, and facial recognition technologies.

While European standardisation experts recognise the need to involve China – like any other major economy – in multilateral standard-setting, there is growing concern that China’s assertive approach will allow it to dominate innovative

22 Gomes, Okano-Heijmans, Sainato, Ten Oever & Lüdtkke, [Standardisation with Chinese Characteristics? The Missing Pillar in Rebooting Europe’s Industrial Policy](#) (The Hague: Clingendael, July 7, 2025). p. 5.

23 Tim Rühlig, [The New Geopolitics of Technical Standardisation](#), (Future Europe, 3(1), 10 April, 2023) p. 102–109.

sectors. The impact, however, could be on a wider scale. As China becomes increasingly successful, other countries are watching closely to see whether the Chinese model can be replicated. This is putting further stresses on the existing consensual model of international standard-setting.

The US response

Meanwhile, the United States is uncertain how to respond. While the US has traditionally embraced a bottom-up model of standardisation with an important role for private sector self-regulation, China's behaviour has prompted a strategic reassessment. Under President Biden, the United States announced a more top-down approach. Biden's 'US standardisation strategy' called for closer transatlantic coordination on standard-setting and stronger representation in international bodies. The aim was not only to reassert influence but also to counter perceived Chinese overreach. According to Biden's strategy, China:

"(...) seeks to undermine the integrity of longstanding standards development processes, pushing top-down approaches to dominate future markets and reinforce coercive leverage. The PRC, in particular, is seen as using foreign investment and coercive economic influence to cajole or compel support for its standards proposals, and to drive standards development toward SDOs in which it is likely to wield maximum unilateral influence. Furthermore, in some sectors, the PRC, often acting through proxy companies, promotes prescriptive standards, irrespective of technical merit, designed solely to entrench market dominance".²⁴

Under President Trump's second administration, however, the US initially showed signs of retreat. President Trump's culling of public sector jobs by the Department of Government Efficiency (DOGE) has impacted US presence and participation in international standard-setting bodies, leading some observers to describe the US as "absent." Transatlantic discussions on standardisation, including through the Trade and Technology Council (TTC) and earlier the Transatlantic Trade and Investment Partnership (TTIP) talks, have centred around better coordination – or even alignment – between EU and US approaches, but these fora have come to a stand-still.

24 The White House, [United States Government – National Standards Strategy 2023](#) (Washington, DC: Office of Management and Budget, May 2023).

Despite this earlier hesitation, the issue of standardisation is now increasingly part of President Trump's muscular trade policy. He has repeatedly threatened the EU with tariffs in response to prevailing European standards, for instance in the area of digital services. He has also sought bilateral trade deals with third countries requiring recognition of US standards, as seen in the case of Washington's recent deal with Indonesia.²⁵ The US government is also assertively promoting its own standards for the further development and export of American AI. The White House's new AI Action Plan seeks to: "leverage the US position in international diplomatic and standard-setting bodies to vigorously advocate for international AI governance approaches that promote innovation, reflect American values, and counter authoritarian influence."²⁶ How this will impact European discussions about AI standards still remains to be seen. One thing is clear: in a global environment where there is more competition about standards, more trade friction should be expected.

In a more positive development, the recent EU-US Joint Statement trade deal included a commitment to discuss mutual recognition of standards, particularly in the automotive sector. The two sides stated:

*"Cooperation on standards plays a crucial role in enhancing the transatlantic marketplace. The European Union and United States commit to enhance opportunities for technical cooperation between EU- and US-domiciled standards development organisations with the objective of identifying and developing standards for the transatlantic marketplace in key sectors of mutual interest. The United States and the European Union commit to facilitate conformity assessments to cover additional industrial sectors."*²⁷

What is clear is that the EU increasingly faces more state-driven approaches to standardisation from both the US and China.

25 See White House, "Fact Sheet: The United States and Indonesia Reach Historic Trade Deal", July 22, 2025. Part of the deal includes Indonesia's commitment to substantially reduce non-tariff barriers by accepting US motorvehicle safety and emission standards, accepting US certificates for medical devices and pharmaceuticals, and exempting US medical goods from licensing requirements.

26 White House, [Winning the Race AMERICA's AI ACTION PLAN](#), July 2025.

27 European Commission, [Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade](#), August 21, 2025.

5 The European System: Between Potential and Pressure

Where does this leave the EU? Standardisation is important to deepen the internal market, as well as strengthen Europe internationally. They go hand-in-hand. The ‘Letta’ and ‘Draghi’ reports are replete with calls for a stronger European standardisation system. Standardisation is the lubricant in the mechanics of the European internal market, but the internal market remains incomplete.

According to the IMF, intra-EU trade in goods face an average tariff equivalent of 44% – three times higher than the equivalent between US states. For services, the estimate is even higher, up to 110%.²⁸ The economic potential for deeper European economic integration is clear. This would also contribute to greater economic resilience in a context where the EU faces turbulence in its trade relations. A deeper European internal market, for instance, could offset costs associated with President Trump’s tariff policies. Common standards across the EU can contribute to reducing these barriers. The ‘Letta Report’ goes one step further:

“A stronger Single Market will determine standards which will become global reference, making it easier for European companies to provide goods and services to the rest of the world. A big, European market will therefore help make the global market more European.”²⁹

But the EU faces challenges in making its approach to standardisation robust for this new geopolitical and economic context. If the Chinese model can be simplified as top-down and the US model was historically bottom-up, then the European model is distinctly hybrid. The European model combines top-down political guidance with significant bottom-up stewardship. The ‘practical world’

28 International Monetary Fund (IMF), *Regional Economic Outlook Europe: A Recovery Short of Europe’s Full Potential* (Washington, DC: IMF, October 2024).

29 Enrico Letta, [*Much More than a Market: Speed, Security, Solidarity*](#) (Brussels: European Commission, 2024), p. 9.

co-shapes European standards and the model pays due regard to inclusivity, cooperation with stakeholders and support from private sector actors. The upside is that this promotes smooth implementation of agreed standards, fosters interoperability and enjoys private sector support.

The ‘Vienna’ agreement, signed in 1991, and the ‘Frankfurt’ agreement, signed in 1996 and updated in 2016, allow European standards to be recognised at the international level, and vice versa. The ‘Vienna Agreement’ is between CEN (the European Committee for Standardisation) and ISO, while CENELEC (the European Committee for Electrotechnical Standardisation) signed the ‘Frankfurt Agreement’ with the International Electrotechnical Commission (IEC). Both agreements do roughly the same, they offer the EU single market vast opportunities to enable European standards to become global ones. The ‘Vienna’ and ‘Frankfurt’ agreements were designed to ensure reciprocity, and they remain the cornerstone of Europe’s approach to international standardisation. What has changed in recent years is that global fora such as ISO have gained in importance, partly due to the more assertive role of actors like China. Needless to say, this makes active European participation in ISO and IEC critical. It highlights the need for the European Commission and national standards bodies to prioritise engagement at the international level and to make deliberate choices about where Europe seeks to lead internationally.

On paper, the EU has considerable leverage within the two international standardisation bodies, ISO and IEC. Due to the one-country-one-vote principle, the EU could, in theory, rally the 27 members for greater collective influence. However, observers note that Europe’s national standards organisations (NSOs) are reluctant to vote as a single bloc. A standardisation expert who attends these international meetings told us that caucusing among the 27 member states might lead to calls for the EU to be represented by a single vote rather than through its individual states.³⁰ Whether this act of self-restraint is justified or exaggerated is unclear. But the perception among industry insiders is that the EU is at risk of losing clout in ISO negotiations, whereas China is widely seen as more assertive, due to more effective coalition-building and vote mobilisation. Still, by some counts half of all ISO technical committees have European chairs.³¹ This raises

³⁰ Author’s interview, 8 July 2025.

³¹ See Gomes, Okano-Heijmans, Sainato, Ten Oever & Lüdtke, [*Standardisation with Chinese Characteristics? The Missing Pillar in Rebooting Europe’s Industrial Policy*](#) (The Hague: Clingendael, July 7, 2025), p. 28.

a crucial concern. European NSOs are active internationally, but the perception is that they do not secure leadership positions in technical committees that are deemed economically and geopolitically critical to the EU. Or at least, China is seen to be more proactive in those areas. The European Union and its member-states could be more strategic in its efforts to lead those technical committees that it considers of geopolitical importance.

A further risk is that the EU model may be inclusive, but it is not known for its speed. It is also increasingly viewed as under-resourced. The capability of EU member-states to build and maintain the necessary expertise to play a key role in international standard-setting processes is under pressure. Also, because the European model relies heavily on private sector involvement, reduced corporate engagement poses a systemic risk. As one standardisation expert noted:

“there are only a handful of companies that have standardisation divisions, because the absolute first thing CEOs cut when faced with financial pressure is the standardisation division.”³²

The system of NSOs is as strong as the weakest link. Its effectiveness depends on full and active participation from all EU members to enable full and transparent development and adoption of standards across the single market. If some NSOs are weak, financially or in terms of their capacity, this become an Achilles’ heel for the European system. The Commission should assess where there are structural vulnerabilities among NSOs and work with member states to address them. Capability building deserves more attention if the EU wants to play a strategic role in international standard-setting.

32 Authors’ interview, 16 July 2025.

6 Legal vulnerabilities and the rise of Common Specifications

A judicial ruling by the Court of Justice of the European Union (CJEU) in March 2024 has led to further worries. In the so-called *Malamud* case, the Court ruled that European harmonised technical standards must be made openly accessible and freely available to the public. This ruling – while instigated in relation to product standards for toys – could affect up to 3600 different harmonised standards across multiple sectors. In response, ISO has expressed serious concern. It argues that the ruling, through the transmission mechanism in the ‘Vienna’ Agreement could lead to the “unauthorised disclosure” of international standards and undermine the integrity of the global standardisation system. In the most extreme scenario, due to the loss of intellectual property that this could provoke, ISO and IEC may choose to withdraw from cooperating with CEN and CENELEC under the existing ‘Vienna’ and ‘Frankfurt’ Agreements. This would make it very difficult for the EU to be a standard-setter at global scale.

As a provisional measure, the European Commission has pointed to the possibility of using an alternative route to pursue uniform application of standards inside the EU, Common Specifications. These are technical requirements for products or services that the Commission can set unilaterally in a top-down fashion across the EU with the same force as harmonised standards enshrined in law. Their appeal is clear. Common Specifications can, in theory, be developed quickly and still achieve uniform adoption across the EU. They offer legal certainty across the single market and can help deliver urgently needed technical standards in politically sensitive or high-risk areas. But they come with important downsides. They are developed outside the established standardisation process and without the same stakeholder involvement, raising legitimate concerns about their implementation. They would only pertain to the European market and have limited international effect. Crucially, they are not embedded in the international system, as they would be developed outside the ISO/ IEC-system and ‘Vienna’ and ‘Frankfurt’ Agreements would not apply.

If Common Specifications become the default, this would lead to a decoupling from ISO and IEC standards and weaken Europe's long-standing principle of international compatibility and diminish any 'Brussels Effect'. In sectors such as electrical engineering, this would be particularly damaging. It would complicate trade relations and erode the EU's ability to shape global rules, just when geopolitical competition over standardisation is intensifying. The wide use of Common Specifications would also make the EU single market a less attractive destination for foreign investment, as companies would have to produce according to different sets of standards for the EU and internationally. Similarly, it would put European producers at a disadvantage internationally. This alternative system would force European companies to work to two different standards – one European and one global – increasing complexity when the European Commission is intent on pursuing a policy of simplification and deregulation.

There are also diplomatic consequences of using Common Specifications. They are EU-only whereas CEN and CENELEC include member-states of the European Economic Area, Switzerland and the UK. In other words, Common Specifications are non-inclusive. The UK, for instance, is an active member in CEN and CENELEC deliberations. The British Standardisation Institute (BSI) is a full member of both organisations, yet it is excluded from discussions on the EU's Common Specifications on cyber resilience. In a context where the EU and UK are moving forward with their "reset" in relations, the increased use of Common Specifications could act as an obstacle to closer alignment post-Brexit.

There may, however, be a case to make for the use of Common Specifications in specific areas where standards are required to protect core European security and social interests and where there is no acceptable international or national alternative. The problem is that there is no agreed framework under what conditions Common Specifications can or cannot be used. While security issues might warrant the use of Common Specifications in some instances, so too should it be investigated whether national standards – which are more closely aligned with national security interests – could serve as a suitable alternative.

In short, if the Commission wants to proceed with this instrument, it should do so in a restrained way. If deployed at scale the use of Common Specifications could contribute to the fragmentation of international standards and harm European business. Companies would face weakened interoperability with international partners and they would incur higher costs, complicating trade opportunities. It would also chill investment prospects for the EU as foreign investors would

have to factor in the costs of working to separate standardisation regimes and harm Europe's export potential. Ultimately it would trigger more geopolitical friction. Inevitably, and particularly with the current US administration, Common Specifications would be seen as prohibitive non-tariff barriers that penalise exporting countries into the EU. When considering the use of this measure, there is a risk of cutting off one's nose to spite one's face.

7 Next steps

Faced with rising challenges to Europe's standardisation system – Chinese assertiveness, trade tensions with the US and internal doubts about the speed and the resilience of the system – the EU must be careful not to undermine the strengths of its own system in pursuit of the perceived benefits of a more *dirigiste* model. The EU should not change its hybrid system, but reform it from within. A smarter approach to standardisation is needed. The dilemma that the EU will have to solve is this:

How can the EU build a standardisation system that protects European geopolitical interests and promotes competitiveness and internal market cohesion, without contributing to a fragmentation of international standards?

Standards are essential to deepen the European single market, which is one of the main priorities to build European resilience in today's geopolitical context. While at the international level, the race to shape the rules and standards of new technologies – such as in the context of advanced computing, autonomous systems, fuels, electrification, 6G, Internet of Things, sustainability, food security, hydrogen, critical materials and biotech – will be one of the most important geopolitical theatres for the coming years. It will determine the future of trade flows as well as the competitiveness of the European Union. It is a theatre that the EU and its member-states cannot afford to miss.

If Europe is less able to influence the international system, when that system is producing more and more standards with economic and geopolitical ramifications for Europe, than the continent faces a nefarious choice: preserve multilateralism over which Europe has increasingly little to say, or decouple and go it alone? Here, the 'Letta Report' is clear, a renewed effort to maintain the international system is necessary to reduce fragmentation of standards and product quality requirements.³³ Given the importance of trade to European GDP,

33 Enrico Letta, [*Much More than a Market: Speed, Security, Solidarity*](#) (Brussels: European Commission, 2024), p. 67.

the alternative of decoupling would be a severe self-inflicted wound. Instead, the EU's system must adapt.

Here are ten recommendations for a stronger and more strategic EU standardisation policy:

1. **Standardisation is an integral part of European industrial policy** and how the EU can achieve its economic security ambitions. Instead of approaching it in an isolated or ad-hoc fashion, the European Commission could outline a set of strategic priorities how standardisation connects with its broader agenda for European competitiveness.
2. To avoid being blindsided by new standards that run counter to its interests and to anticipate the development of new standards in critical areas, **the EU and its member-states need better monitoring of global standard-setting initiatives**. This requires additional resources and more capability building. As Alexi Drew recommends: “[Diplomatic] Positions should be created, and individuals trained or hired, to act as central points of contact between industry leaders at home and abroad and government.”³⁴
3. **The EU should identify critical sectors where it wants to be proactively engaged in international standard-setting** and work with member-states and NSOs to ensure Europeans chair the relevant technical committees. This effort might include systematically tracking the different technical committees in ISO, IEC and elsewhere and assessing in which of those Europe should aim to have a prominent role. The sectors that have been identified as part of the EU's economic security risk assessment and which are the focus of many industrial policy discussions in the EU – quantum, AI, advanced semiconductors and biotech – could be considered first. The EU and its member-states should prioritise preserving existing standard-setting expertise in these areas and expanding it, and engage proactively in international standard-setting bodies on these topics.
4. Timeliness is of the essence. **Standards need to be developed at the pace of technological and geopolitical change**. This necessitates steps by both the NSOs and the European Commission. A joint action plan drafted by European NSOs to increase the responsiveness of the European standardisation system is called for. At the same time, the Commission has a responsibility to communicate strategic standardisation priorities earlier in the legislative

34 Alexi Drew, [*The Critical Geopolitics of Standards Setting*](#), Transatlantic Dialogue on China (London: Royal United Services Institute, May 7, 2021).

cycle, enabling parallel work rather than waiting until the end of the New Legislative Framework. Alongside such a system of pre-notification, the Commission and NSOs could develop a system of pre-assessments to check whether and under what circumstances standardisation requests are feasible in terms of scope and timeline.

5. Standardisation is becoming more political and there is no going back to a purely stakeholder-driven process. The incentive for the Commission to use standardisation to foster a stronger, more coherent internal market is a powerful one and is supported by the geopolitical context in which Europe finds itself. But this does not mean that the EU should let go of its hybrid model and opt for a directive top-down approach. It does imply that the Commission articulates in what cases it wants to opt for Common Specifications, and why, and then use it sparingly.³⁵ **The European Commission could establish strategic guidelines detailing under what specific circumstances alternatives to the existing system of standardisation can be used.**
6. **Common Specifications should only be used as a fallback option for strategic issues where fundamental European values or interests are deemed at risk.** Their widespread use has important drawbacks that risk undermining European standardisation strengths – which are directly linked to the competitiveness of the European economy. The use of Common Specifications could increase trade fragmentation, limit Europe’s ‘Brussels Effect’, put European companies at a disadvantage in other markets, make the EU a less attractive investment destination and add to administrative and regulatory complexity.
7. In light of the geopolitical importance of standardisation, **European industry has a responsibility to increase its awareness of, and participation in, the development of standards.** Too few companies invest in standardisation capacity. If Europe is to preserve the benefits of its hybrid model, this necessitates strong engagement from the private sector. Throughout this research it became apparent that the number of companies with dedicated standardisation divisions is very limited, even in areas such as high-tech and digital which are crucial to European economic security. Targeted outreach and support, especially for SMEs, is needed.

35 Anja Hoffmann and Matthias Kullas, “[Die EU-Binnenmarktstrategie 2025](#),” CEPAnalyse no. 4 (Freiburg: Centrum für Europäische Politik, July 8, 2025).

8. **Cooperation with China remains necessary, but it should be accompanied with calls for transparency and reciprocity.** There is growing concern about the role of China as an international standard-maker, but not every Chinese standard is a problem. Increasing China's participation also allows for greater international uptake of standards, but it needs to be balanced with greater Chinese reciprocity and transparency.
9. **The EU has a strong incentive to engage with third countries on standardisation.** As an export-driven economy, the vast majority of European standards should be developed in an international context. The European Union should focus on open market principles and continue to strive for international solutions. The EU should therefore continue to work with like-minded countries that are equally concerned about the current geopolitical turn in standardisation, and seek out new partners (including in Southeast Asia, Latin America, Africa and East Asia). As part of this, it should also mainstream standardisation into trade and investment frameworks like Global Gateway. After all, China is doing it too in the context of its Digital Silk Road and Belt & Road Initiative.
10. **A transatlantic dialogue on standards is needed.** The US-EU Trade and Technology Council's working group on technology standards cooperation should be reinvigorated, or a newly-minted equivalent stood up. Not only is it a useful forum to strengthen transatlantic economic coordination, it would also allow coordination of actions to counter China's growing role in international standardisation bodies and help increase transatlantic trust-building. The 'Turnberry' US-EU Joint Statement offers a good starting point for intensified discussions on standards cooperation.