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Manufacturers urge EU to think again in time of crisis:

Don't make consumers pay twice for household waste collection!

- *Only days after announcing a stimulus package for the European economy, the European Commission has put forward plans to make companies financially responsible for collecting end-of-life electrical goods from consumers. This measure will do nothing to address the main problems identified by the Commission and will add one billion euros of extra costs for European manufacturers at a time of significant economic downturn. This policy is inconsistent, incoherent and unacceptable.*
- *The Commission's proposal fails to address the fundamental problem that waste electrical and electronic equipment is not being returned for treatment under schemes established by producers because other players in the waste management chain – not subject to the same legal requirements – are filtering off the most valuable end-of-life items for profit.*
- *All the signs are that the Commission is aiming to shift the burden of meeting collection targets away from Member States and onto industry. Collection is a process, however, that industry does not and cannot effectively control.*
- *Inevitably, the consumer will end up footing the bill twice for a poorer service – once in local taxes and a second time in higher prices for new appliances. This hidden taxation is unacceptable.*

Brussels, 4 December 2008: household appliance manufacturers' European industry association, CECED, today expressed concern at the European Commission's proposals to make producers responsible for reaching collection targets and the financing of collection points for end-of-life electrical and electronic goods. This is put forward in the Commission's proposed revision of the Directive on waste electrical and electronic equipment (the so-called "WEEE Directive") released Wednesday 3 December. Local authorities will pass on the cost of waste collection to industry while industry can have no control over the process and the cost of the work done by authorities.

But there is another fundamental issue that the Commission fails to address.

The Commission has been fully briefed and perfectly understands that huge amounts of the most valuable end-of-life equipment is being sold off for profit – often by local authorities themselves – to actors who are not covered by the WEEE Directive. No surprise, then, that so much electrical and electronic waste is unaccounted for. Instead of dealing with this up front and ensuring there is no leakage from the system where collected volumes have to be reported, the Commission is ignoring the problem. Making manufacturers pay for waste collection will do nothing to increase amounts reported or properly treated.

“The European Commission understands perfectly well what the problems are with the WEEE Directive but it is burying its head in the sand,” says Luigi Meli, CECED Director General. ***“At a time of economic crisis it should be ensuring a fair and workable deal for companies exposed to ever more demanding EU legislation, not loading more burden and more cost on manufacturers for matters they cannot control or influence in the mistaken belief that this is going to solve a fundamental problem of the Directive. The solution is to fix the problem, not behave like an ostrich! The Council and the Parliament must put this right.”***

Whilst the Commission proudly claims that it is placing priority on reducing the cost of the administrative burden of this legislation by € 66.3 million, it totally fails to mention the one billion of euros¹ of additional cost to industry and consumers that will flow from making companies financially responsible for collection of electronic scrap from householders.

¹ Please see Summary of the Impact Assessment accompanying the Proposal for the WEEE Directive Recast (p 7)

As Mr Meli puts it *“This would hit our industry at a time of significant European and global economic downturn. Waste collection from private households is the responsibility of local authorities and not manufacturing companies. These extra costs will mean significant cut-backs in investments in better eco-design of products and prices for consumers will inevitably rise.”*

This proposal runs totally contrary to the European Commission’s better regulation objective. It introduces a major paradigm-shift without thorough assessment of the environmental and economic risks and challenges it will generate. Making producers financially responsible for collection of end-of-life electrical and electronic goods from household has neither been addressed by the studies conducted prior to the revision nor by the stakeholder consultations. The provision seems to have been slipped in at the last minute for political reasons.

CECED will be lobbying the European Parliament and the Council of Ministers to rectify this unworkable and unmanageable proposal.

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For further questions, please contact Luigi Meli on +32 2 706 82 90.

CECED represents the household appliance industry in Europe. Its member companies employ over 200,000 people, are mainly based in Europe, and have a turnover of about €40 billion. If upstream and downstream business is taken together, the sector employs over 500,000 people.

Direct Members are Arçelik, BSH Bosch und Siemens Hausgeräte GmbH, Candy Group, De’Longhi, Electrolux Holdings, Fagor Group, Gorenje, Liebherr, Indesit Company, Merloni Termosanitari, Miele, Philips, Saeco, SEB and Whirlpool Europe. CECED’s member associations cover the following countries: Austria, Belgium, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.