PM+: Don’t ‘overcook’ EU ecodesign rules warns domestic equipment sector

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Opinion Plus

Policymakers must make sure they don’t overregulate the home appliances industry, argues Paolo Falcioni.

There has been a lot of discussion recently on how to foster growth within Europe’s real economy.

Some recent European commission statements are encouraging. This week, Frans Timmermans, the commission’s first vice-president with responsibility for better regulation, stated in front of members of the European parliament that ecodesign is neither good nor bad when viewed generally.

What was important was to review individual ecodesign measures one by one to see what worked and what didn’t. This thinking suggests that there is a need to look closely at Europe’s policy approach and check whether the current process sufficiently encourages entrepreneurship within Europe’s single market.
"Regulation should leave sufficient scope to focus on activities that help generate growth and develop products that make life easier and less resource consuming for European citizens"

Getting the balance right between regulation and business freedom can be complex. Rules, clearly, are needed. Market operators need a respected level playing field on which they can deliver products according to the principles of free and fair competition.

However, regulation is needed only to correct market distortions. Regulation should leave sufficient scope to focus on activities that help generate growth and develop products that make life easier and less resource consuming for European citizens.

We call this innovation. And it creates significant wealth. In 2013 the annual turnover of the sector was €48bn. Tax receipts, used to help fund the European way of life, were approximately €14bn.

The recent entry into force of ecodesign and energy labelling requirements for ovens, hobs and hoods has been considered positively by manufacturers of these appliances.

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The measures have been designed to increase the overall energy efficiency of products while keeping the cost for consumers at a minimum.

The energy label has been designed in a way to allow immediate identification of the most energy efficient appliances through the usual pattern of adding new classes on top of old ones.

Both ecodesign and energy labelling so far have done their job: the former, in providing a minimum reference from which industry can compete; the latter in encouraging the uptake of energy efficient household appliances by European consumers through the provision of clear, transparent and accurate information.

There is a risk of 'overcooking' ecodesign. That would happen if legislation reduced the freedom to develop products, limiting the choice for consumers, and regulating components inside equipment already regulated by other pieces of legislation. This would not deliver substantial energy savings, and would be costly for both industry and consumers.

In short, legislation needs to be relevant. It needs to focus on what matters. It’s a bit like baking a cake. The right ingredients need to be carefully measured and then once combined, the right cooking time applied. Get it wrong and you risk burning the cake.

About the author

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