

Bld. Brand Whitlock 114 / B-1200 Brussels
E: hello@applia-europe.eu

Federica Lavoro

federica.lavoro@applia-europe.eu



The home appliance industry meets EU Commissioner Breton to address main pitfalls to the future of Europe

The EU Single Market is the beating heart of the European Union, one of the most important forces behind its cohesion as it fuels growth, inspires innovation and yields occupation. In an effort to preserve this unique asset and address a number of arising initiatives within its composite areas, APPLiA, on behalf of the home appliance industry in Europe, met with European Commissioner for the Internal Market, Mr Thierry Breton.

For while the EU is built upon decentralised implementation and enforcement, this gives Member States an ineluctable responsibility to ensure the proper working of the common market. Yet, "the implementation of local initiatives and regulations at the national level risk creating barriers to the free movement of goods and undermine the very funding principle of the Single Market," kicked off Dr Peter Götz, APPLiA's President and BSH Executive Vice President Europe. Ranging from the Triman Logo in France to microplastics filters in France and Luxembourg to stricter resource requirements on local producers and electronic equipment put forward in Portugal, "these divergent rules should be discussed at the European level to avoid fragmentation on the market and allow the industry to adapt accordingly," he continued. In a nutshell, a European law made of harmonised norms.

Competition is another important aspect to the functioning of the Single Market. Indeed, the overriding motive to enjoy its membership lies in the economic advantage it eventually brings about. Nevertheless, it risks being downplayed by arising potentially harmful legislation within the EU. The Carbon Border Adjustment Mechanism (CBAM), a proposal from the EU Commission to impose a tax on carbon emitted by some materials coming into the EU, stands for one. As a leader in sustainability, "the home appliance sector is committed to the achievement of the set EU decarbonisation targets," explained Paolo Falcioni, APPLiA Director General, "but CBAM risks having unintended consequences." Coupled with the removal of ETS free allowances, "this combination would inevitably translate into a competitive disadvantage for manufacturing in Europe," he commented, as it would make products that are manufactured abroad and imported into the EU more competitive than EU-made ones, on the home market of many European companies. What is more, it would create an incentive for manufacturing outside of Europe and importing products to the EU "generating a significant loss of European jobs," stressed Mr Falcioni, "and moving carbon leakage from the raw materials industry to other downstream industrial sectors." This calls for "a Mechanism that works as a safeguard to all European industries and prevents carbon leakage of all sectors, preserving the competitiveness of all EU companies."

In this context, standardisation is a powerful and strategic tool for further improving a smooth and efficient policy-making. Creating a link between legislation and products, standards have succeeded over time in gaining consumers' trust, while ensuring products safety and best possible performance. While a lot has already been achieved, "a key challenge remains that of a timely legal transposition into the Official Journal of the European Union (OJEU)," highlighted Falcioni. In fact, this step is vital to ensure industries can properly enforce new laws, while guaranteeing a level playing field for all sectors.



Another critical challenge is the impending shortage of semiconductors currently being faced at the global level. Pivotal to numerous geostrategic interests, these play a key role for the economy of many European industries. As a matter of fact, the home appliance sector is heavily dependent on the imports of semiconductor technologies, a tactical component of the industry chain at both the EU and global level. With this regard, “the European Chips Act marks a step in the right direction,” commented Mr Falcioni, laying the foundations for a harmonised European strategy and avoiding a race to national subsidies for microchip plants, which “would trigger the fragmentation of the Single Market,” he detailed. In this framework and in order to actively support the achievement of such ambitious objectives, APPLiA has recently submitted its application to join the Alliance for Processors and Semiconductor technologies, designed to rebalance global supply chains and boost European competitiveness.

The meeting with EU Commissioner Breton set the stage for a fruitful discussion between the EU Institutions and the industry, providing the opportunity to properly stone a number of subjects towards squaring the circle of climate targets and industrial prosperity.

APPLiA Members of the Steering Committee participating the meeting:

- **Peter Götz**, APPLiA President, Executive Vice President Europe BSH;
- **Anna Ohlsson-Leijon**, CEO Electrolux Europe;
- **Gilles Morel**, President Whirlpool EMEA and Executive VP of Whirlpool Corporation;
- **Reinhard Zinkann**, Miele Group’s Executive Director and Co-Proprietor MIELE;
- **Dochul Choi**, Senior VP Samsung;
- **Yannick Fierling**, CEO Haier Europe;
- **Vittorio Bertazzoni**, Vice President and CEO SMEG;
- **Suzuki Junichi**, Chairman and CEO Panasonic Europe;
- **Bern Laudan**, Head of the Personal Health business for Germany, Austria and Switzerland and Managing Director Philips;
- **Thomas Rodemann**, CEO Vorwerk;
- **Martin Dieryckx**, GM Daikin Europe;
- **Jochem Ybema**, CFO BSH Home Appliance limited, and APPLiA Treasurer;
- **Paolo Falcioni**, DG APPLiA - Home Appliance Europe.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

