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First steps of recovery for the Home Appliance Sector but uncertain longer-term perspectives

Dear President von der Leyen,

APPLiA represents home appliance manufacturers in Europe.

As the economic activity is progressively resuming across Europe, home appliance manufacturers have gradually been able to restart operations during this unprecedented crisis and have assessed the impact it has had and will have on their operations. When we wrote to you last April, immediate sales figures, as a direct effect of the closure and restrictions for physical shops and the impact on members' industrial operations, were looking very concerning in comparison to previous years. This situation and uncertainty was reflected in previous company forecasts.

As you may be aware from recent media releases, some home appliance manufacturers have issued statements informing that they have weathered the storm better than first expected. Overall, business continuity seems to have been preserved even if shutdown of operations did have a negative impact. Until now, we see a limited impact on jobs and shareholder interests. End of year forecasts seem aligned to the levels of 2019. In this respect, we would like to express our appreciation of the quick recovery actions and financial measures that have been put in place by the EU Institutions to support industry at this turbulent time.

We also thank the Commission for acknowledging our requests on soon approaching and very challenging legal obligations, such as the application of the new EU Energy Label for Washing Machines, Dishwashers and Refrigerator/Freezers. It was essential to accommodate the sale of the stock of appliances that had accumulated during the lockdown as the legislation for the new EU Energy Label has a legal deadline of 1 November 2020. This has allowed companies to concentrate on the immediate consequences of the pandemic and ensure their continued operations. The postponement of the Medical Devices Regulation was also a welcome consideration at this time.

Considering how the immediate situation has evolved, certain consequences of our requests outlined in our first letter dated 6 April 2020 are now less concerning, such as investments needed to meet the 2024 Ecodesign requirements.



It is of course still very unclear what the longer-term fall-out of the pandemic will bring or how the situation will next evolve over time. These longer-term impacts will need to be monitored and we would appreciate continuing to work closely with the Commission to address these.

Nevertheless, some of our initial requests to you remain valid. We would like to particularly highlight two key issues:

- The SCIP Database - With regard to the implementation of the database, we would recommend that its scope, and further IT-structure, are fully aligned with the legal requirements as laid down in Article 9(1)(i) of the Waste Framework Directive (WFD). As such, the Commission cannot oblige manufacturers to upload information to the database which would go beyond the requirements of Article 33.1 REACH, as it would exceed the legal mandate given by the WFD and would inevitably lead to legal challenges.
- WEEE Collection Targets - We received initial negative feedback from DG Environment on our request regarding the application of the very challenging next level of WEEE collection targets. Due to the construction of this target, it is a particular concern for EU Member States that have growing economies and thus are challenged with the mismatch between an annual target based on the weight of the products placed on the market during the previous 3 years and the actual WEEE available for collection. We ask the Commission to address this concern in a pragmatic way given the negative environmental, political and operational consequences for some Member States not being able to reach the collection target.

APPLiA members take pride in sustaining a vibrant industry in Europe thanks to a strong manufacturing base, local technological know-how and substantial investments in research and development in all EU Member States. We count on the renewed support of the European Institutions to ensure the EU appliance manufacturing industry can deal effectively with the longer-term impacts of the restrictive measures that were introduced due to the pandemic.

I very much look forward to your further response on these issues of concern. We remain at your disposal to discuss the follow up to our requests and continue to tackle together these ongoing unprecedented challenges.

Dr. Peter Götz
APPLiA President

APPLiA 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 50 billion, investing over EUR 1.4 billion in R&D activities and creating nearly 1 million jobs.

