



FEEDBACK TO THE PUBLIC CONSULTATION OPENED BY THE EUROPEAN COMMISSION CONCERNING THE “RIGHT TO REPAIR AND REUSE”

The European Consumer Electronics Retail Council (EuCER) is an AISBL representing the major European Retail Groups and Chains active in the sale of Technical Consumer Goods, such as Major Domestic Appliances, Computers, Smartphones, Healthcare Products, Smart-home devices, Lighting, Audio and Video Devices.

Among the **EuCERC members and supporters** appear brands such as **E-Square** (grouping retailers like **Electronic Partner** in Germany, Austria, Switzerland and The Netherlands, **Medimax** in Germany, **BUT** and **Conforama** in France, and **Radio Popular** in Portugal), **Euronics International** (present with the brand Euronics in many countries and grouping national chains like **Boulangier** in France, **Krefel** in Belgium, **Milar** in Spain, **Mediaexpert** in Poland, **Datart** in Czech, **Elon** in Sweden, **Comet**, **Sinergy**, **SME** and **Trony** in Italy, **Red Zac** in Austria), **Expert International** (also including retail chains like **Power** in Norway, Sweden, Denmark and Finland, **Digitec-Galaxus** in Switzerland, Germany and Austria, **NAY** in Slovakia, **Electroworld** in the Czech Republic, **Komputronik** in Poland, **Excellent** and **Selexion** in Belgium, **Ubaldi.com** and **Digital** in France and **Pevex** in Croatia), **Fnac Darty**, **Monclick**, **Unieuro** and **Worten**.

The annual turnover of the members of the EuCER Council exceeds 45 billion euros, with more than 300.000 employees within the 27 countries of the European Union.

It is estimated that **each year more than 8 million tons of WEEE (Waste of Electric and Electronic Equipment) are generated at EU level**; it is therefore clear that the proper handling of these products is crucial to encourage circular economy as a whole.

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In aiming to the above-mentioned goals, the Council emphasises the following aspects.

GENERAL TERMS

- ✚ Preferred objectives to pursue should be **to repair products always when possible and economically sustainable** as well as to replace broken devices with second-hand or refurbished products when so desired by consumers.
- ✚ In order to create a change of attitude by consumers it is will be essential to launch **public communication campaigns** focused on the benefits of repairing products and about the connected economic and environmental implications.
- ✚ It has to be carefully considered the fact that **the decision whether to replace or repair goods is mainly influenced by the cost and availability of spare parts, as well as the guidelines on repair to be provided by manufacturers, by the amount of time needed (labour costs in EU), and by the possible gap in efficiency (energy consumption etc.) between a new and a repaired device eco-designed several years before.** We must remember that repair will not increase the energy efficiency of products but will simply return devices to their initial status.
- ✚ The mentioned purposes should be achieved at the EU level, with the scope of harmonising the related directives and guidelines.

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In order to properly set a strategy to achieve these goals, it is important to consider the relevant differences between the management of products covered or not by the legal guarantee.

Products covered by a legal guarantee

Today, the legal guarantee on a product not 2 years old, creates the reality that the entire issue is into the hands of manufacturers. Manufacturers pay the costs of repair to the labs (officially authorised by them and supplied by them with spare parts), therefore they can decide if it is - for them – cheaper to repair or to replace.

In order to achieve the above-mentioned goals, it would be needed to change this status quo, but certainly without imposing the costs of repair to retailers.

Such solution would result in a totally unjustified disadvantage for all European retailers.

Field experience show in fact that:

- a) retailers have no power when they try to recover repair costs from manufacturers (we have also to consider that in Technical Consumer Good Sector manufacturers are often-times multinational non-EU giants while retailers are generally smaller EU entities).
- b) Suppliers only reluctantly provide affordable spare parts for products less than 2 years old outside of their own repair networks.

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Products not covered by a legal guarantee

The most effective measures for the scope would be to prefer the repair of the product by the retailer or a third party knowledgeable in repairs. Therefore, manufacturers have to foresee a platform where affordable spare parts can be obtained (both by retailers and consumers), where instruction manuals for repair can be downloaded and where schemes for 3D-printing of spare parts can be consulted.

In this respect, it is also necessary to assure the availability of spare parts beyond the two-year period covered by the legal guarantee at prices that make a greater number of repairs possible. As concerns this issue, it would be pivotal that all businesses operate on a level playing field. To ensure such conditions, manufacturers should provide spare parts to retailers at the same prices applied to their own repair network.

A decent number of repairs can be cheaper and more convenient if all the above is foreseen. It is also to take into account that industrial unmanned manufacturing is more efficient than one-by-one repair of single devices.

Within such a scheme (linked to the age of the product and financially supported by the manufacturer) also the replacement of defective products with second-hand alternatives or refurbished ones, could be promoted.

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Experience from the field show that repair by manufacturers is more costly (labour cost is higher at manufacturers than at retailers) and take much more time than repair carried out by retailers or independent repair shops.

Incentives, rather than obligations, should be favoured, considering that repair is not always economically and technically feasible.

The effectiveness of the indicated measures will certainly depend on the characteristics and the costs of a product. It can never be feasible and economically sustainable to spend € 100 in labour cost, € 20 in spare parts, € 10 in transport and € 10 in administration in order to repair a product whose price new is € 100.

The cost of repair is clearly the main trigger in decision making for repair.

As regards this matter, it is essential to highlight that:

- This cost composition rests mainly on labour cost, spare part cost and cost of administration and transport.
- Being labour cost impossible to influence, the EU should focus on cost, and simultaneously on availability, of spare parts, as manufacturers tend to inflate these prices in order to favour the sale of new products.

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REMARKS AND SUGGESTIONS

The focus should be placed on manufacturers as long as their attitude is essential to actualise the right to repair:

- On the one hand, manufactures are responsible for repairability in terms of designing a product that can be easily repaired.
- In addition, manufacturers should foresee the production and storage of affordable spare parts, the making and provision of downloadable of repair manuals, but also technical instructions to enable the exploitation of 3D-printers to manufacture the components needed for repair.

On the other hand, the channel (classic retailers with repair shop or independent repair companies) is pivotal in terms of execution, implementing what provided by the producer, and considering that the consumers should be able to get repair where the purchase took place.

In consideration of the above, **the European institutions should focus on encouraging a fair and virtuous competition between manufacturers and retailers**, with the purpose of incentivising the sellers to offer refurbished products rather than to recline on manufactures, who have no interest in putting repaired products on the market.

For instance, a reduced VAT rate for refurbished and repaired products and other tax incentives could create a very favourable environment and support investment in education for the employees.

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A "race to the top" encouraging retailers to offer refurbished products, with the inclusion of a reasonable margin of profit, would, in these terms, be beneficial for consumers, businesses operating inside EU and, of course, the environment.

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The EuCER Council significantly appreciates the opportunity given by the European Commission to express its position and will be fully available to provide any additional field experience.



Conforama



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