

January 24<sup>th</sup> 2019

## Explanatory remarks

### Public Consultation

#### “Towards an EU Product Policy Framework contributing to the Circular Economy”

As a cross-sector association with member companies operating in different industries and stages in the supply chain, JBCE would like to contribute to the public consultation on an EU Product Policy Framework contributing to the Circular Economy, launched by the European Commission on 29 November 2018.

In addition to our online consultation response, JBCE is submitting further explanations to ensure that our considerations and interests are correctly represented and interpreted. We sincerely hope the European Commission will consider these messages when assessing the outcomes of the consultation. We look forward to further contribute to the upcoming discussions and remain available for any further questions.

Q.1.

While JBCE agrees that *the “EU should set rules to make sure products have a long lifetime”*, this should **not create barriers for manufacturers to develop new products**, nor artificially determine consumer preferences and the market functioning.

On the other hand, while acknowledging the objective of promoting changes in consumer behavior and agreeing that *“the EU should set rules and rights to help consumers to engage in the circular economy”*, such approach **would necessarily depend on the given product or sector**. When *“setting rules and rights to help consumers engage in the circular economy (e.g., additional consumer rights to repair)”*, depending on the product, it would better serve consumers’, environmental and safety interests to have **professional repair services** taking charge.

Q. 1.3.

As to the question on *restricting the use of certain hazardous substances or chemicals*, JBCE considers that a clarification of substances that are in scope would be necessary (e.g., SVHCs?). As to the use of **Extended Producer Responsibility schemes**, these should be established on a product or sectoral basis and EU-wide, as a way to reduce compliance costs for manufacturers and lack of harmonization Member States.

Well-designed EPRs have significant potential to move product design in a more sustainable direction, because financial incentives support the “right” decisions. However, poorly designed EPRs with the wrong incentives or with loopholes could be counter-productive.

JBCE agrees that consumers should have access to information on the impacts of products. However, while the **Energy labelling** can be considered very effective in achieving the goals described in this section, the **EU Ecolabel** is a not very effective tool. Therefore, there is a visible difference in overall quality (related to each label coverage and scope) and consumer perception between both types of label. *This remark is also valid as a comment for Section 2.3. and 3.4. of this consultation.*

JBCE considers somewhat effective “supporting longer product lifetimes through extended product warranties/commercial guarantees for products” and “supporting longer lifetimes through better and cheaper repair options”. However, it needs to be acknowledged that **different approaches may be needed for different products and/or markets** and that better repair options are not always cheaper.

Regarding the question on Waste/end-of-life phase, JBCE believes that the **scope of the question is not clear**, in particular, whether it is targeted at recyclers, consumers or manufacturers. In addition, JBCE consider that the choice of waste streams to prioritize is not always **based on science**, but on political grounds, since certain sectors (such as WEEE and batteries) are more frequently subject to measures than others for unclear reasons. On the other hand, one can observe differences in implementation of existing schemes.

Section 2.

JBCE opted not to respond to this section 2.1 and 2.2. of the consultation, as this part of the questionnaire seems to be targeted at consumers and therefore not designed for a trade association’s submission.

Q. 3.2.

In reference to the last challenge mentioned on this section, JBCE considers it is difficult to provide a clear answer, since **we do not agree that EU Ecolabel criteria are too lenient**. Moreover, we agree that currently the **EU Ecolabel does not necessarily distinguish more environmental products from others** due to limitations of its coverage and very strict criteria.

## ABOUT JBCE

Founded in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of over 80 multinational companies of Japanese parentage active in Europe.

Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, railway, textiles and glass products.

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