













# Submission to the Department of Enterprise, Trade and Employment regarding the Proposal for a Directive on Common Rules Promoting the Repair of Goods

**Submission by Chambers Ireland** 

September 2023



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# **About Chambers Ireland**

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9) and climate action (SDG 13).<sup>1</sup>

In the context of the current consultation, responsible consumption, and production (SDG 12) is highly relevant, as is climate action (SDG 13) and decent work and economic growth (SDG 8). We fully support circular economy initiatives; in our view the transition to a circular economy is pivotal in reducing our greenhouse gas (GHG) emissions. They are also critical to helping achieve the EU's 2030 climate targets and the net-zero GHG emissions objective by 2050, as laid down in the European Green Deal.<sup>2</sup> We welcome the EU Commission's proposal which aims to work towards those goals. In conjunction with national and EU frameworks, the proposal underlines the major contribution that the circular economy can also contribute to realising the goals of the Paris Agreement, the Convention on Biological Diversity, and the UN Sustainable Development Goals.

<sup>&</sup>lt;sup>1</sup> The Chambers Ireland SDGs. Available at: <a href="https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/">https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/</a>

<sup>&</sup>lt;sup>2</sup> https://www.europarl.europa.eu/news/en/headlines/society/20200618STO81513/green-deal-key-to-a-climate-neutral-and-sustainable-eu



# **Key Points**

- Market prices need to be considered in the design of the Directive.
- Incentives need to be in place to reduce delays in providing reconditioned goods.
- A voluntary EU easy repair standard will be useful as it will help consumers decide on repairers across the EU willing to commit to minimum quality standards.
- The proposed national online platform will be useful in matchmaking consumers with repairers and promoting refurbished goods.
- We support the proposal to oblige repairers to issue upon request a quote on the price and conditions for repair in a standardised form.
- The proposal is necessary to mitigate fragmentation regarding the right to repair of goods in Member States and to ensure equivalent remedies are available within the Single Market.
- We support the obligation to repair when the cost is lower or equal to replacement but recommend that consumers/sellers should have more flexibility in making the decision considering the economic efficiency of the product.



# **Chambers Ireland's Perspective**

#### Importance of circular economy initiatives

We agree with the aims of the proposal, which are to promote sustainable consumption through the reuse and repair of goods within and beyond the legal guarantee of conformity. We agree that this will make it a more economical option for consumers to repair, as opposed to replacing goods they purchase. We anticipate that this will result in savings for consumers in most cases and will also contribute to the objectives of the European Green Deal named in the consultation document, such as reducing waste and carbon emissions. Importantly, the proposal will also incentivise producers and sellers to develop more sustainable business models than they currently employ.

In upholding the Sustainable Development Goals both the Chambers Network and Chambers Ireland are keen supporters of the circular economy. It provides businesses the chance to reduce costs, improve raw material supply chains and increase opportunities to diversify into newer, more sustainable business models. It allows for a resilient economy; with greater reuse, a circular economy does not need the same volume of inputs, and this reduces the impact of supply shocks. The reduction of supply shocks has become relevant and important for economies as colossal loss of business was experienced due to supply chain disruptions as a result of Covid and the Russian war in Ukraine.

#### **Competitiveness and Job Creation**

Notwithstanding the obvious sustainability benefits that circular economy policies provide; it is also important to note the competitive benefits. By reimagining how resources and materials are used, businesses can create economic value. In this context, we note that the circular economy has the potential to increase the EU's collective GDP by an additional 0.5 % and create an additional 700 000 new jobs – at the very least - by 2030.3 Localising the repair, remanufacturing

<sup>&</sup>lt;sup>3</sup> https://www.ellenmacarthurfoundation.org/assets/downloads/publications/EllenMacArthurFoundation\_Growth-Within\_July15.pdf



and recycling processes associated with circular economy practices has the potential to capitalise on this opportunity and create employment in these areas.

#### Relevant Irish legislation and national policies focussing on circular economy

We welcome the proposal by the European Commission which promotes the repair of goods and more broadly the Commission's plan to propose a legislative initiative on sustainable products to set horizontal principles for product policy, along with binding requirements on products that are within the Single Market. In our view, the statutory proposal will ensure that the circular economy transition remains a policy priority of national importance and ensures an emphasis on circular economy initiatives throughout the European Union. We fully support the view that such initiatives encourage citizens to waste less and ultimately drive innovation.

In recent years, we have seen the development of circular economy initiatives being promoted via legislative means. Strides have been made by the State already in this regard. Of note at the national level is the Circular Economy and Miscellaneous Provisions Act 2022,<sup>4</sup> which designated a Circular Economy Fund to ring-fence supports for environmental and circular economy projects. Importantly, it incentivises the use of recycled and reusable alternatives instead of non-sustainable single-use packaging. Similarly, we note that the Circular Economy Programme 2021-2027<sup>5</sup> is an important role to play in terms of supporting strategic programmes at national level to prevent waste and promote the circular economy. As an organisation with sustainability at the heart of our policy priorities, we commend the Department the Environment, Climate and Communications and the Environmental Protection Agency in aiding the State transition away from a "take-make-waste" economy and helping promote sustainable business practices.

We have contributed in the past to consultations, most relevant of which is the Submission on the Waste Action plan for a circular economy<sup>6</sup>. In this we stressed on an outright ban on

<sup>&</sup>lt;sup>4</sup> https://www.irishstatutebook.ie/eli/2022/act/26/

<sup>&</sup>lt;sup>5</sup> https://www.epa.ie/publications/circular-economy/resources/EPA\_Circular\_Economy\_2021\_Programme\_Apr22\_Web.pdf

<sup>&</sup>lt;sup>6</sup> https://www.chambers.ie/wp-content/uploads/2020/02/Chambers-Ireland-submission-to-the-DCCAE-on-the-development-of-a-Waste-Action-Plan-for-a-Circular-Economy\_final-February-2020.pdf



unrecyclable single-use plastic food packaging, a phased introduction of Green Public Procurement criteria in public tenders and the introduction of Broader Extended Producer Responsibility Scheme so that the cost of managing the end-of-life of a product is shared among industry, government, and consumers. We submitted another consultation on removing the self-compliance option for packaging producers under the European Union (Packaging) Regulations 2014<sup>7</sup> in October of 2022. In this we recommended formulation of price-capping regulations and regulations for quality of services, we highlighted that waste policy must be designed to support businesses who have already made changes to their supply chains so that they can remain competitive. We have stressed on the importance of making the transition to a circular economy cost-efficient for businesses.

<sup>7</sup> https://chambers.ie/wp-content/uploads/2023/08/Submission-to-DECC-on-removing-self-compliance-option-for-packaging-producers.pdf



# Comments regarding specific articles in the proposed Directive

#### Article 1 - Subject matter, purpose and scope (and associated Recitals)

We support the subject-matter of Article 1, specifically Article 1(1) where it emphasises the proposal will provide a high level of consumer and environmental protection and lay down common rules promoting the repair of goods. Mirroring our statement under Article 3, the Directive is necessary to mitigate fragmentation and ensure equivalent remedies are available within the Single Market.

#### **Article 2 - Definitions (and associated Recitals)**

We have some concerns regarding the definitions stipulated under Article 2. The definition of 'manufacturer' in relation to 'producer' under Article 5 is problematic (please see further our comments under 'Article 5 – Obligation to Repair and associated Recitals'), particularly when the retailers bear the risk if the producer ceases to operate. In its current form, the definition necessitates that dealers would have to stock spare parts for products from an array of manufacturers, on the off-chance that the manufacturers no longer exist.

In its present wording, the broad definition of 'producer' means that it is not clear whether manufacturers from Third Countries are required to appoint an 'authorised representative'. This ought to be clarified to avoid any confusion.

#### Article 3 - Level of harmonisation (and associated Recitals)

We support maximum harmonisation regarding the right to repair, especially as differing national measures may be conducive to fragmentation across the Single Market. Uniformity will enable citizens to make use of their rights wherever they are in the EU and feel guaranteed that an equivalent remedy is available, regardless of the Member State they reside in.



#### **Article 4 - European Repair Information Form (and associated Recitals)**

We have no comments to make regarding Article 4 and its associated recitals.

#### Article 5 - Obligation to Repair (and associated Recitals)

The proposal should define products which are easily reparable and those which are complex to repair. In its current wording, the distinction is not made in the proposal. Making it tailorable in this way will expedite the processes associated with repairing and guarantee standardisation to some degree. In addition, consumers should also be informed of the risks associated with using third-party repairers who are unqualified and are not authorised by producers of the goods.

The obligation to repair under Article 5 is A notable problem which could arise focuses on liability under Article 5(2), which focuses on the hypothetical situation where non-EU producers do not have an authorised representative. The proposal indicates that in this situation, liability would instead be placed on every retailer along the supply chain, starting with the importer. In our view, this would be confusing for business operators along supply chains and risks complicating trade.

Relatedly, the proposal that retailers should be obliged to keep spare parts for all the goods they sell available for a long period of time, on the off-chance that repairs are required, would generate costs for businesses that cannot be justified. This would place a burden on the retailer which is not proportionate nor sustainable.

#### Article 6 - Information on obligation to repair (and associated Recitals)

Related to our point regarding the definition of 'producer', we have concerns regarding the obligation to provide information on the right of repair under Article 6. Currently there is confusion regarding the obligation to repair in situations where there is no manufacturer. Considering that importers and retailers are covered, it is unclear how dealers in the EU ought to



comply with the duty to inform. This is especially problematic where they provide a wide range of products sourced from different manufacturers. There ought to be clarification as to whether or not they are obliged to inform that, in situations where there is no manufacturer of the goods, they have a duty to repair to the extent of the applicable product-specific, eco-design implementing regulations.

# Article 7 - Online platform for repair ad goods subject to refurbishment (and associated

#### Recitals)

We welcome the online platform. This will be helpful in terms of increasing transparency and increasing consumers' willingness to repair, thereby ultimately contributing to sustainable practices. The platform will enable consumers to inform themselves and also avoid dubious sites.

#### **Article 8 - Enforcement (and associated Recitals)**

The proposed measures under paragraphs 1 and 2 of Article 8 appear appropriate to ensure compliance with the Directive.

# **Article 9 - Consumer Information (and associated Recitals)**

The proposed Article 9 appears reasonable.

# Article 10 - Mandatory nature

We agree with paragraph 1 of Article 10. Regarding Article 10 (2), it is reasonable to not prevent the repairer from providing contractual arrangements that go beyond the protection which is provided in the Directive. Protection provided by the Directive should be treated as a floor and not a ceiling.



#### **Article 11 - Penalties**

We support paragraph 1 & 2 of Article 11. However, we emphasise that follow ups should be scheduled after 24 months, to check if rules on penalties have been laid down by member states and if the commission has been notified about these rules and measures.

#### Article 12 - Amendment to Directive (EU) 2019/771 (and associated Recitals)

The proposed Article 12 is reasonable. We support the obligation to repair when the cost associated with it, is equal to or less than that to replace the goods.

However, we want to highlight that repairs are not always the best option even when they cost less or equal to replacement especially in circumstances if there is a spare part shortage, repairs take a long time, product needs to be repaired multiple times within the guarantee period. Finally, if the replacement product is of a highly quality of is more efficient, then it is better to replace to product than to repeatedly repair it.

Therefore, sellers and consumers would benefit from more flexibility in the repair or replacement decision which takes into consideration the wider economic perspectives.

#### Article 13 - Amendment to Directive (EU) 2020/1828 (and associated Recitals)

The proposed amendments of Annex I (Point 67) to Directive (EU) 2020/1828 of the European Parliament and of the Council16 is appropriate and should be applied.

#### Article 14 - Amendment to Regulation (EU) 2017/2394 (and associated Recitals)

The proposed amendments of Annex I (Point 27) to Directive (EU) 2020/1828 of the European Parliament and of the Council16 is appropriate and should be applied.

# Article 15 - Exercise of the delegation (and associated Recitals)

The proposed Article 15 is reasonable. The consultation with experts of Member States, in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making is welcomed.



# **Article 16 - Transitional provisions (and associated Recitals)**

Transitional provisions made in Article 16 are reasonable.

# **Article 17 - Transposition**

We do not have any comments to make regarding Article 17.