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## APPLIA Poland response to the Call for Evidence in view of the evaluation of WEEE legislation

Warsaw, 3 November 2022

APPLIA Poland is the only common representation of producers and importers of home appliances in Poland. As part of the economic self-government, we have been actively involved in the legislative process since 2006. Our members are responsible for organizing the collection and financing about 75% of the WEEE market in Poland.

APPLIA Poland welcomes the Call for Evidence on the evaluation of the WEEE Directive and supports the need of evaluation of the current provisions. We are presenting below our country specific comments in addition to APPLIA Home Appliance Europe general comments.

### Competition and free market

In the situation when only producers are responsible for the organization and financing WEEE market, there is a risk of dominant position of other market players. Retailers, recyclers, and municipalities in many cases have strong and growing position on their markets.

Commercial and business concentration is intensifying. In case of retailers, two or three companies (traditional or e-commerce sellers) already have hundreds of thousands of tons of e-waste in their hands. The stream of e-waste collection is being used as a tool in negotiations between retailers and producers. Very few recyclers manage thousands of collection points for one-fourth of the country. Natural territorial monopoly of the municipalities also does not support free flow on the goods. All above-described situations limit free competition and causes unjustified growth of the prices of the services. WEEE law puts manufacturers in difficult situation where the demand is artificially defined by regulations and supply of e-waste is controlled by commercial players making speculative tricks. As the result of it, there are higher prices of finished goods for consumers and the position of manufacturers is weakening, especially the smaller ones.

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## Scope

The current law is not flexible enough. It does not consider the rapid changes of markets. Of course, the future law will also not foresee unpredictable changes, so it should be open to possible civilization and technological development.

New regulations should help to avoid the turbulences and conflicts between different industries grouped in the same categories now. This present unfair law does not consider different lifespan of commodities and establishes joint responsibility for many industries what is not possible to manage.

## Grey zone

When legal regulations are far from market realities (i.e., actual targets based on 65% of POM higher than WEEE generated), the grey zone immediately appears. Simple solution is to increase the transparency of the markets. Local authorities should be obliged to publish aggregated and non-sensitive data immediately. In the digital age, the reports, and statistics should be available online, not with one- or two-year delay. It is the simplest and free way to fight with grey zone and free riders.

All actors of the market would use this knowledge to strengthen the competition and economic self-government would indicate possible business abnormalities.

It is extremely important to consider the ban of combining various activities of the companies within one capital group, responsible for collecting, processing and recyclers, which certify their obligations at different stages of the cycle.

Another area that should be subject to great control is intercontinental trade and the sales of goods by e-commerce companies and internet platforms putting high amounts of products on the market.

## Definition of the targets

The obligations regarding WEEE collection should be verified. They do not fit into changing lifetime of the products, non-registered flow of WEEE and changes among sectors and industries. High and unrealistic targets combined with mixed product categories cause unnormal turbulences on the market. The best are examples of the market of photovoltaic panels and heat pumps where the waste has not appeared yet (!), but at the same time the direct obligations of producers and importers are already in force.

As an example, huge artificial demand in categories 1 and specially 4 has been created and is growing every year. In case of Poland, the weight of PV panels put on the market increased from 10 to 200 kMg within four years (2018 vs. 2022). At the same time the targets oblige companies to collect 100 kMg in 2023 year where the real amount of WEEE generated is less than 1 kMg. Similar paradoxes might be found in the whole EU in PV panels and other new product categories.

The solution would be to allow different methodologies to be implemented in sub-categories. There is also an idea to create special fund for future collection and treatment of orphan products put on the market by companies which will disappear (closing of activity). It is only important that these funds are not under governments control.

## Education

After 20 years of experience, the main conclusion is that WEEE market is growing specially thanks to the awareness and education of all actors. The best practices should be announced and awarded.

## Summary and priorities for decision makers

The main obstacles and risks are:

1. distortions of free competition,
2. low awareness of rights and obligations,
3. grey zone and free riders,
4. failure in adapting the law to changing market conditions.

Necessary changes and recommendations:

1. transparency,
2. regulations considering rapid market changes,
3. education.

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APPLIA Poland is an association of producers and importers of household appliances in Poland. Since 2004, it has been operating as the only representation of the company from large and small household appliances, as well as fans and air conditioning. The organization has 33 member companies: Amica, Ariston, Atlantic, Beko, Biazet, BSH, Candy/Haier, Ciarko, Daikin, De'Longhi, Dyson, Electrolux, Fore, Franke, Gorenje/Hisense, Jura, Kärcher, Liebherr, Miele, MPM, P&G, Panasonic, Philips, SEB Group, Samsung, Sharp, Smeg, Solgaz, Teka, Vestel, Vorwerk, Whirlpool.

