

A LONGER LIFETIME FOR > PRODUCTS

benefits for consumers and companies |

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PARLIAMENT'S INTERNAL MARKET AND CONSUMER PROTECTION COMMITTEE**

TNO innovation
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ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS FOR CONSUMERS

- › Households, companies, governments: were all consumers at one point



- › **1% increase in Value Added and Consumption of sectors likely to benefit from a longer lifetime: 7.9bio EUR structural growth, annually**
- › **Job creation very likely if VA increases.** But there will be losers in extractive industries and manufacturing, wholesale and retailing and transport
- › Ample evidence that in many cases, a longer lifetime represents reduction of environmental impact
- › Public Procurement: 27% of total final consumption in the EU. More than merely an example.

PRODUCTS AVERAGE LIFETIME

1–2 years	3–4 years	5–6 years	7–10 years	> 10 years
Small electrical appliances, (e.g., tooth-brushes, toys) mobile/smart phones, general clothing, shoes	Portable devices, personal computers, bed items, specific clothing (e.g., sports), bicycles, coats	Cameras, general kitchen-ware, lighting, power tools, vacuum cleaners, washing machines, curtains	Automotive, TVs, kitchen appliances, general furniture, carpets, beds, refrigerators	Appliances attached to house (boiler, sunroof, etc.), kitchen and bathroom, specific furnishings

Source: Cox (2013), Huisman et al. (2012), TNO (2015), WRAP (2010).

CASE STUDIES SHOWS EVIDENCE OF MARKETS AIMING FOR A LONGER LIFETIME FOR PRODUCTS



CURRENT POLICY FRAMEWORK

EU Regulatory Framework within scope
of this study

Consumer protection

- EU Consumer Rights Directive (2011/83/EC)
- Consumer Sales Directive
- ...

Circular economy

- Zero Waste Programme
- EU action plan for the circular economy
- ...

Energy

- EU Energy Labelling Directive 2010/30
- ...

Policies addressing pollution (air, water, soil, noise)

- Directive on Waste of Electrical and Electronic Equipment (WEEE) 2012/19
- ...

Climate

- Emission Trading System (EU ETS)
- ...

CURRENT POLICY FRAMEWORK: HOW IS IT FOSTERING LONGER LIFE FOR PRODUCTS

- › Measures on **consumer protection** are mostly related to warranties and safety
- › Initiatives promoting eco-design, eco-innovation and the circular economy indicate an ambition to promote a longer lifetime
- › Measures on strengthening **the internal market** aim to overcome the barrier of reduced sales as a result of longer product lifetimes.
- › The concept of a longer lifetime for products is currently not explicitly present in environmental-policies and regulations in the EU – **This study supported a Motion for a Parliament resolution for the EC to look into PLEX**
- › MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION on a longer lifetime for products: benefits for consumers and companies (2016/2272(INI)) issued in Nov2017

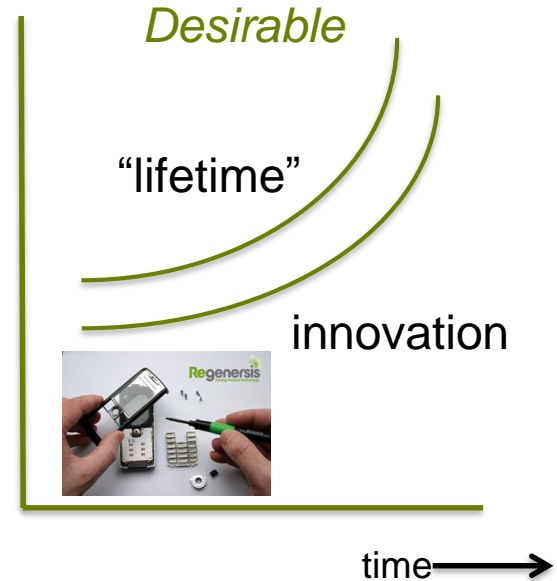
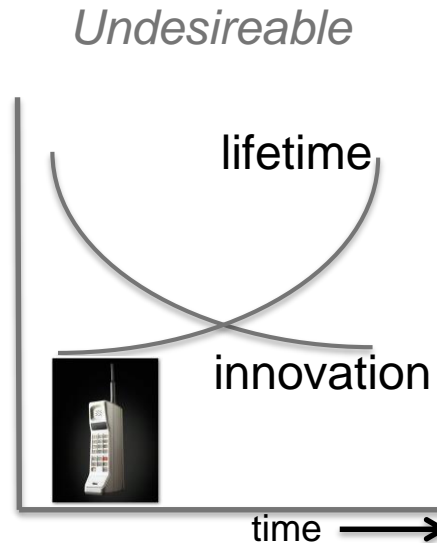
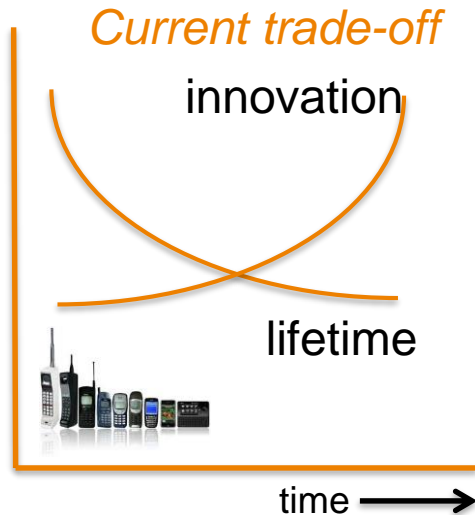
POLICY COHERENCE, PREPARING FOR A RAPID PACE OF INNOVATION

- › The challenge is in making the content of available options acceptable for both producers/sellers and final consumers
- › The field of information and communications are enabling disruptive innovation
- › The EU, and the internal market, could anticipate an increase of product service systems supporting a longer lifetime for products



TECHNICAL DRIVERS FROM INNOVATION: IOT, RFID, BIG DATA, NEW MATERIALS, SMART MANUFACTURING, ETC.

IMPACT ON LIFETIME: IMPROVING MARKET TRANSACTIONS, EFFICIENCY AND COMPETITIVENESS



LONGER PRODUCT LIFETIME 1%VA >> 6.3BILLION

NACE sector	Products of agriculture forestry and fishing	Industrial products (except construction works)	Construction and construction works	Wholesale and retail; transport and storage; hospitality and food services	ICT services	Financial and insurance services	Real estate services	Scientific and technical services; support services	Public administration, defence, education, health and social work	Arts, entertainment and recreation services of households	Total intermediate use by companies in value chain	Final consumption (households, companies, government)
#33 Professional repair	3 433	80 681	10 225	22 699	5 587	797	5 134	4 675	7 496	1 135	141 862	3 853
#38 Waste treatment	1 374	77 243	4 137	11 794	1 700	794	6 738	5 196	18 042	1 629	128 648	71 519
#72 Research	432	50 920	735	2 850	6 438	565	192	8 640	13 577	535	84 883	35 844
#77 Rental and leasing	3 654	53 160	23 898	55 490	15 877	9 108	3 310	39 146	14 792	5 389	223 824	31 458
#95 Household repair	115	3 709	385	2 347	1 350	1 032	219	1 176	3 743	879	14 957	15 475
All other sectors (i.e., "rest of the economy")	191 597	3 955 464	879 259	1 789 783	470 627	588 887	433 086	812 287	738 015	187 178	10 046 183	8 803 860
Total	200 605	4 221 177	918 639	1 884 964	501 580	601 183	448 679	871 119	795 666	196 745	10 640 357	8 962 009
Current VA	193 316	2 184 409	683 830	2 135 713	533 502	633 184	1 235 728	1 140 753	2 168 444	399 146	11 308 024	
1% increase of VA or consumed value	Increase in VA is created by all sectors, as a result of interaction with the five sectors most likely to benefit from a longer lifetime for products. Increase of consumed value is considered growth as a result of an increase of final consumption of goods and services produced within the EU-28.										6 315	1 581

GENERAL POLICY RECOMMENDATIONS

Main competence of IMCO committee

Consumer protection

- (Timely) Information for consumers (total cost of ownership)
- Public debate concerning the benefits of a longer lifetime for products
- Empowering repair and refurbishment initiatives
- Extension and harmonization of consumer rights

Internal market

- New business models, based on ownership substitution and customization
- Capitalizing on social enterprises
- Autonomous growth of digital services
- Communication on environmental risks

POLICY MIXES, DEFINED BY SPECIFIC RECOMMENDATIONS

Policy mix #	Policy mix name	Description
1	Product service system mix	Safeguard privacy, PSS performance standards, PSS lock-in abuse,
2	Consumer information mix	Standardized information, more consumer information during sale
3	Direct governmental control mix	Monitor non-EU standards, Juncker plan connect, GPP standards, outsource to social enterprises, tax reduction repair,
4	Prepare for the future mix	Flag AM lock-in, support repair café's, extend CSD, education in social enterprises, after use responsibility shift, fight planned obsolescence
5	Pragmatism mix	Regulation spare-parts, use consumer associations, standardize CSD based on current practice,

DISCUSSION ON POTENTIAL BENEFITS OF A LONGER LIFETIME FOR PRODUCTS



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