

AN ACTION PLAN FOR SUSTAINABLE COMPETITIVENESS OF THE HOME APPLIANCE INDUSTRY

The survival of Europe's home appliance industry is under severe threat. EU manufacturers face an unsustainable accumulation of new complex regulatory initiatives with doubtful benefits, crippling energy costs, volatile supply chains, and intense global competition putting at stake the future of an entire strategic sector.

This industry is not just a provider of essential consumer goods, it is a **strategic pillar of the European Union** economy, driving innovation, sustaining 1 million high-quality jobs, and contributing significantly to its industrial base and broader climate adaptation goals.

Our vision is a thriving European home appliance industry that leads the world in innovation, quality, and truly sustainable practices, anchored by a robust, competitive, and modern manufacturing footprint within Europe.

PILLAR 1

Regulatory Overhaul & Strategic Deregulation

Radically simplify and harmonise the EU regulatory landscape by strategically deregulating—identifying and removing outdated, overlapping, bureaucratic, or ineffective rules that stifle innovation and competitiveness without delivering proportionate benefits.

PILLAR 2

Securing a Globally Competitive Operational Environment

Create the framework conditions necessary for globally competitive manufacturing in the EU, tackling crippling input costs and supply chain vulnerabilities. All companies, regardless of their origin, must adhere to the same high standards for environment and consumer protection, thus creating a level playing field for all.

PILLAR 3

Future-Proofing Through Targeted Innovation & Skills

Foster a dynamic ecosystem that supports cutting-edge innovation, digitalisation, and the skilled workforce needed for the industry's future, ensuring the EU remains a leader in advanced manufacturing.

PILLAR 1



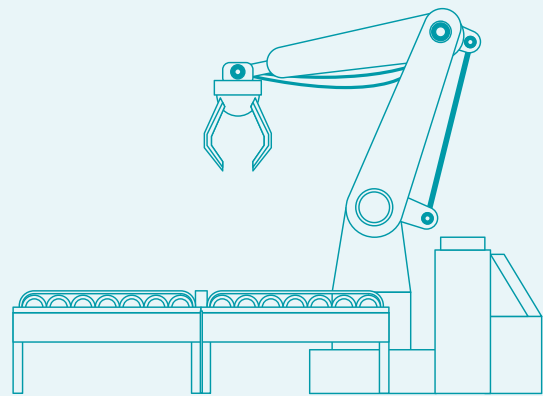
Radically simplify and harmonise EU regulations by strategically deregulating—**identifying and removing outdated, overlapping, bureaucratic, or ineffective rules that stifle innovation and competitiveness** without delivering proportionate benefits.

Regulatory Overhaul & Strategic Deregulation

Key Recommendations:

- **Initiate a strategic dialogue on the future of the EU home appliance industry** to develop a coherent, sectoral competitiveness framework.
- **Adopt a "one-in, two-out" principle for new regulations** and significantly reduce the cumulative administrative and compliance costs of existing legislation, as also advocated for by former President Jean-Claude Juncker.
- **Tackle regulatory fragmentation** to mitigate rising compliance costs that disproportionately impact EU manufacturers and hinder reinvestment.
- **Enforce strict adherence to harmonised EU rules**, eliminating national gold-plating or deviations that fragment the Single Market.
- **Simplify and expand EU state aid regulations** to facilitate targeted support for industrial decarbonisation initiatives.
- **Implement effective, EU-coordinated market surveillance** to ensure a level playing field by rigorously enforcing compliance, particularly targeting non-compliant imports.
- **Ensure early, systematic, and impactful industry involvement in policy development** to prevent unworkable regulations and unforeseen negative consequences.
- **Mandate thorough, realistic impact assessments** taking into account competitiveness and the costs of manufacturing in Europe before any new regulation is proposed.
- **Reconsider the real, tangible benefit of recent legislation**, e.g. ESPR Digital Product Passport, Critical Raw Material Act labeling, for recyclers of waste electrical and electronic equipment.

PILLAR 2



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Securing a Globally Competitive Operational Environment

Key Recommendations:

- **Close the ETS/CBAM loophole** by including finished goods in CBAM with a clear emission methodology to ensure a level playing field and prevent carbon leakage through indirect channels. Failure to do so will gradually drive EU manufacturing offshore, reduce EU employment, and dilute the environmental integrity of the EU climate framework.
- **Establish an Export Compensation Mechanism** for goods produced in the EU that are exposed to increased CO2 costs from the ETS, both directly and indirectly. This is key to ensure fair competition and prevent carbon leakage.
- **Address regulatory imbalances** as under the EU Deforestation Regulation imposing complex due diligence on raw materials and simpler components used by EU appliance manufacturers, but inconsistently exempting imported finished goods containing the same materials. This creates a further regulatory burden and disadvantages EU manufacturing, hindering its ability to compete with imports.
- **Foster policies delivering internationally competitive prices for secure, decarbonised energy** - including renewables and nuclear - essential for manufacturing viability.
- **Support policies that strengthen EU supply chains for critical raw materials and components, reducing over-reliance on volatile external sources.** Conduct realistic cost-competitiveness comparisons and impact assessments before imposing trade barriers that disrupt essential inputs. Promote the development of secondary raw material markets.
- **Monitor and address strategic trade dependencies and vulnerabilities arising from global dynamics.** This includes mitigating import dependency risks for critical components, assessing and responding to the impact of international trade actions (e.g., US tariffs) on EU exports, and prioritising the preservation of open access to key third-country markets.
- **Underpin investment in and optimisation of European transport and logistics infrastructure** to reduce costs and improve the efficiency of moving materials and finished goods.

PILLAR 3



Foster a **dynamic ecosystem that supports cutting-edge innovation, digitalisation, and the skilled workforce** needed for the industry's future, ensuring the EU remains a leader in advanced manufacturing.

Future-Proofing Through Targeted Innovation & Skills

Key Recommendations:

- Growing connectivity and import of appliances make data protection and digital trust a strategic security issue for EU industrial competitiveness. **Protecting data, ensuring cybersecurity by design, and fostering responsible innovation are fundamental to our future industrial strength.**
- **Consider home appliances as a clean tech industry and a strategically important one** under the Clean Industrial Deal, acknowledging their role in energy efficiency and resource management.
- **Facilitate access to EU and national funding** (e.g., Horizon Europe, InvestEU, EIB loans) specifically targeted at investments in AI, digitalisation, automation, and advanced manufacturing technologies within the home appliance sector, alongside **financial support schemes or incentives for consumers** to purchase energy-efficient, top-grade appliances.
- **Encourage technology-neutral support schemes for automation, AI, and circular manufacturing processes** to allow for diverse pathways to innovation and sustainability.
- **Support collaborative initiatives between industry, educational institutions, and governments** to develop targeted training, up-skilling, and re-skilling programmes.
- **Encourage and facilitate pre-competitive R&D collaboration** (e.g., on materials science, circularity tech, fundamental AI) within clear competition law boundaries, leveraging EU research programmes where appropriate.

THE EU HOME APPLIANCE INDUSTRY IS A STRATEGIC ASSET THE UNION CANNOT AFFORD TO LOSE AND IS READY TO DELIVER SOLUTIONS FOR ITS INDUSTRIAL, CLIMATE, DIGITAL, AND COMPETITIVENESS OBJECTIVES. BUT THIS REQUIRES POLITICAL RECOGNITION OF ITS STRATEGIC IMPORTANCE AND URGENT, COORDINATED ACTION TO REMOVE STRUCTURAL BARRIERS THAT HINDER ITS ABILITY TO GROW AND COMPETE. A LEVEL PLAYING FIELD, FAIR TRADE, ACCESS TO AFFORDABLE ENERGY, AND REGULATORY CERTAINTY ARE THE FOUNDATIONS UPON WHICH OUR CONTRIBUTION TO A RESILIENT, SUSTAINABLE EU MUST BE BUILT.