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PORTABLE
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FOR IMMEDIATE RELEASE

Brussels, 17 April 2001

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Secretary-General

New DG Environment Draft Battery Directive Unacceptable to Industry

The European Portable Battery Association (EPBA) strongly believes that the new draft battery Directive that DG Environment has just sent for European Commission Interservice Consultation does not take into account the excessive burden that it will place on the battery industry if it becomes a Directive. The costs are estimated to be between €500- €850 million per year, which is nearly a third of the industry's annual revenue.

This drastic increase would impair the industry. More importantly, the consumer would be required to pay up to 30% more money for any given product. This excessive financial pressure would also put countless jobs within the industry, the distribution and equipment manufacturers at risk.

The potential economic instruments applied differently around Europe would distort the market. In addition, a deposit system for example would increase financial pressure on consumers, taking € 4 - € 6 billion extra from consumers' own pockets and out of the general economy.

The proposal may not have the desired positive impact on the environment. It can bring about adverse effects on the economy as well as the battery consumer, and may jeopardise the employment prospects and economic aspirations of a large section of the population. As a result these proposals are not in accord with the Commission's commitment to Sustainable Development.

The EPBA represents a responsible industry and believes the proposals made by DG Environment will severely damage an industry that is the key to consumers' demand for portable battery power and mobility in Europe.

The proposal could lead to a situation whereby industry is accountable for the collection and recycling of all types of batteries in Europe and that industry will finance the full approach. DG Environment's goal to collect 75% of spent portable batteries, would aim at the collection of 120,000 tonnes of batteries per year. The estimated cost of collection and recycling range between €4,000 and €6,000 per tonne, adding up to a total cost of between € 500 and € 850 million per annum. This amount must be seen in relation to the total revenue of the battery industry in Europe, which is approximately €2.45 billion per annum. The cost would be almost one third of the total revenue.

The proposed marketing restriction on certain NiCd batteries is unjustified. The proposal does not take into account the ongoing risk assessment on cadmium, which shows that there are no dangers to the environment when NiCd batteries are collected and recycled. In addition, it does not consider the collection initiative proposed by the NiCd industry (“CollectNiCad”) in its Voluntary Commitment to promote the take back and recycling of NiCd batteries throughout Europe.

Millions of Euros have been invested by industry into the development of clean battery technologies and research into appropriate sorting and recycling techniques. Industry has in past years set up national collection and recycling organisations in European countries such as Austria, Belgium, Germany and The Netherlands. In the light of this experience, the battery industry believes that collection targets have to be credible and achievable. In view of the many complex factors involved in determining the collection rate, such as home storage and variable useful life in different appliances, the collection requirement of 75% of sales in any given year, is simply not realistic. Backed by industry support and proper use of municipal collection systems, maximum targets that could be realistically achieved should not be related to sales but be expressed in weight. Experience in the above countries shows that between 50 – 130 grams per capita – depending on the state of Gross Domestic Product of the EU Member State is realistic.

Furthermore DG Environment did not take into account the latest research undertaken by the British Government. A study¹ published by the Department of Trade & Industry (DTI) in November 2000 and presented to DG Environment Officials in February 2001, using Life Cycle Assessment (LCA) methodology, concluded that the collection of all batteries would cause additional environmental impacts instead of improving the environmental situation.

In an increasingly mobile world battery technology is developing rapidly to serve the needs of consumers who demand top performance and competitiveness from the products they buy. Industry offers superior quality of service including a high level of safety and usefulness of its products to the consumer to ensure value.

Substitution of battery systems and products can only be accepted when based on principles of sound science and risk assessments. This needs to be applied to guarantee the effectiveness of this new Directive and to take the demands of consumers into account.

EPBA strongly believes that this draft battery Directive should be reconsidered and reassessed especially in view of the financial and environmental implications. It is EPBA’s view that the draft battery Directive in its current state will have adverse effects for the environment and consumers alike unless it is revisited. The battery industry is proud of its records of innovation in the environmental field and its reputation as a

¹ Analysis of the Environmental Impact and Financial Costs of a Possible New European Directive on Batteries. Department of Trade & Industry and Environmental Resources Management. November 2000

responsible industry is secure. Ever since adoption of 91/157/EEC it has sought a positive dialogue with the EU Commission to help develop its positions and is therefore very dissatisfied and dismayed with the current draft proposal.

The European Portable Battery Association (EPBA) is based in Brussels and represents the interests of portable battery manufacturers, those industries using portable batteries in their products as well as distributors of portable batteries active within the European Union. For more information contact EPBA or go to the EPBA website: <http://www.epba-europe.org>

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