

Commissioner Miguel Arias Cañete
European Commission, Brussels

Brussels, 8 March 2019

Subject: Interpretation of Article 15 of EU F-Gas Regulation No 517/2014

Dear Commissioner,

We are writing to you on behalf of the manufacturers of domestic appliances, heating, cooling and refrigeration technologies in Europe. Our industries support the European decarbonisation agenda via a multitude of policies, including the Clean Energy Package and the European F-Gas Regulation (EC) No 517/2014. The latter has been globally recognised as a precursor in its field, facilitating the “Kigali Amendment” – a global phase-down of HFCs¹ – under the Montreal Protocol which has already been ratified by over 60 countries and entered into force on 1st January this year.

The EU’s F-Gas regulation is very ambitious with more stringent provisions than in any other region of the world, even as the Kigali Amendment has entered into force. This can lead to a competitive edge in some market sectors, but also results in significant constraints for manufacturers such as HFC price increases of up to ten-fold² in Europe – even for advanced technologies which greatly reduce the overall impact on global warming, are energy efficient and fully in line with the objectives of the F-Gas Regulation.

We are concerned about DG CLIMA’s interpretation of a specific provision (Article 15) in the EU F-Gas Regulation which harms the competitiveness of European manufacturers when exporting technologies mitigating climate change such as heat pumps, air-conditioners, heat pump tumble driers and washing machines, etc. **The current interpretation of Article 15 implies that all exported products that are pre-filled with HFCs – even if they have a low impact on global warming – are covered by the EU’s HFC phase-down.** This means that EU manufacturers are competing with non-EU manufacturers in markets where rules are significantly less strict (or still non-existing), than in the EU. What are the consequences?

- ➔ Products manufactured in Europe are less competitive on a global level;
- ➔ Production and jobs move from the EU to other regions in the world;
- ➔ Environmentally advanced products manufactured in Europe are not competitive enough to gain market share outside of Europe.

DG CLIMA recognised this problem and suggested a solution based on a specific customs procedure for these products (Inward Processing – IPR). However, experience shows that IPR is limited to only a few cases and does not solve the issue as such. We raised this point to DG CLIMA at several occasions but have not received any formal answer yet.

The primary objective of the EU F-Gas Regulation is to reduce direct HFC emissions in Europe, in line with Europe’s low carbon roadmap. But climate and environment cannot just be confined to Europe. Therefore, if a European regulation stimulates global developments as is the case with the Kigali Amendment, and if European manufacturers can trigger technological change on a global level, they

¹ Hydrofluorocarbons: gases contributing to global warming if emitted into the atmosphere

² Monitoring of refrigerant prices against the background of Regulation (EU) No 517/2014: Ökorecherche, CITEPA 01/2019

should not be prevented from doing so simply due to a too narrow interpretation of a single article of what is generally considered to be a pioneering regulation.

We therefore kindly ask you to facilitate a dialogue with DG CLIMA to identify a pragmatic solution on the interpretation of Article 15 of the EU F-Gas Regulation to ensure the competitiveness of EU manufacturers when exporting pre-filled equipment. We remain at your disposal for further explanations and to discuss next steps on the way forward to solving this important matter.

Yours sincerely,

Paolo Falcioni
Director General, APPLiA



Federica Sabbati,
Secretary General, EHI



Thomas Nowak
Secretary General, EHPA



Andrea Voigt
Director General, EPEE



Felix Van Eyken,
Secretary General, Eurovent
Association

