

Brussels, 15 October 2007

'Top Runner Approach' – Can it work here in the EU?

European regulators are currently considering, especially in the context of implementing the EU's energy and climate change policy objectives endorsed by the European Council of March 2007, the applicability of a number of potential policy instruments in Europe, including the so-called "top runner approach*" which currently exists in Japan.

"Our European regulatory and economic framework, notwithstanding globalisation, is very different from that of Japan", stated Adrian Harris, Secretary General of Orgalime. "We cannot just import the Japanese model into the EU. What we need instead is our own European Top Runner concept that builds upon existing instruments, both legislative and voluntary. The European Top Runner approach must provide the necessary flexibility and certainty that both our companies and regulators need. It must be workable, enforceable and underpin the EU's Better Regulation, jobs and growth agenda. This is what we are proposing".

In a letter and position paper addressed to European Commission President, Mr. José Manuel Barroso and several of his fellow Commissioners, Orgalime lays out its vision for contributing towards the global challenge of climate change and energy policy with a European top runner approach that encompasses the following:

- A holistic approach to sustainability: The Eco Design Directive does this as it covers all environmental aspects of a product, including energy efficiency, over its whole life cycle. It also takes into account economic and social impacts.
- Minimum energy efficiency requirements to cut off least performing products in areas, for which improved energy efficiency has been identified as a priority, should be coupled with more dynamic optional eco design standards and a positive recognition of achievements.
- Promoting the uptake of innovations, which are available today while respecting the sovereign right of the consumer to choose a product
- Ensuring that measures introduced are economically efficient and do not undermine the global competitiveness of EU engineering industries nor infringe their IPR.

"If regulators, both EU and national do get things right, Europe can make a difference and provide an ambitious lead while at the same time providing the necessary framework conditions for a sustainable and competitive manufacturing base in Europe", concluded Harris.

Ends

Orgalime, the European Engineering Industries Association, speaks for 35 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.6 million people in the EU and in 2006 accounted for some €1,779 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.

Notes for the Editor:

**The “Top runner approach” has been introduced in Japan in 1998 when revising the Japanese Energy Conservation Law and consecutive government ordinances. In summary, the Japanese Top Runner uses, as a base value, the value of the product with the highest energy efficiency on the market at the time of establishing standards for such products. Standard values are set taking into account potential technological improvements leading to better energy efficiency. The producer is allowed to conform to the standard by “average fleet”: all products should achieve this level of energy efficiency performance after a certain time frame. In case of non-compliance after expiry of the given transition period, firstly, the manufacturer of the product would be “advised” to ensure the product’s compliance in a “recommendation” issued to him by the Ministry of Economy, Trade and Industry (METI). If the non-compliance continues, the manufacturer will be challenged by a system of marking poor performing products and may potentially be penalised. If penalised, such sanctions would amount up to a maximum of 1 Mio. Yen, that is some 7400 Euro. Orgalime is not aware of any penalties issued to date. Compliant products may be labelled voluntarily under the top runner approach. Therefore, labelling can vary between products belonging to the same targeted product group.*

***Position paper <http://www.orgalime.org/Positions/positions.asp?id=282>*

Contacts: *Adrian Harris, Secretary General*
Or e-mail to *Sigrid Linher, Environment Manager sigrid.linher@orgalime.org*



The European Engineering Industries Association

ORGALIME aisbl | Diamant Building | Boulevard A Reyers 80 | B1030 | Brussels | Belgium
Tel: +32 2 706 82 35 | Fax: +32 2 706 82 50 | e-mail: secretariat@orgalime.org
Ass. Intern. A.R. 12.7.74 | VAT BE 414341438