

#BetterThanNew at Parliament meeting on Remanufacturing



Conseil Européen de
Remanufacture

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In a crowded Parliamentary meeting room, **Frederick Federley MEP** led a discussion that might easily have fallen into an argument about what constitutes free and fair trade, but he deftly steered the meeting away from that risk. **Christophe Debien** from the **French Circular Economy Institute** argued the case for European tyre producers whose products are designed to be given a second life through remanufacturing, but who face competition from imported products designed to be cheap and short-lived. If ever there was a totemic product representing the commercial travails of creating a circular economy, automotive tyres must be it. Jobs are being lost each year as free trade delivers ever cheaper, disposable tyres from south east Asia.

Hugo-Maria Schally from **DG ENV** was equally alert to the risks of starting the wrong debate. Aware of reports from Davos that the US economy had been evaluated and declared as "more circular" than the European economy, he proposed that the EU look first to China as a partner to deliver better circular economy outcomes. This contribution silenced any lingering thoughts in the room that there is a choice to be made between enabling free trade and implementing a more circular economy.

Patrick Carminati from **Lexmark** presented the advantages of remanufacturing toner cartridges in Europe. Yet, because European regulations currently favour the process of collecting cartridges, smashing them up and sending them for material recycling, Patrick asked for targets that would reward instead those who are extending the life of products

through remanufacture, adding "Our corporate cartridges, after being remanufactured, are as good as new, with the same guarantee of quality."

Stephane Arditi from the **European Environment Bureau** picked up on the theme of a remanufactured product being as good as new. After stating that a proper definition of remanufacturing would help, he introduced a new idea: "Surely, if a remanufactured product is performing as well as a new one, it is actually better than new? It doesn't require more mining, it saves on processing, it has a smaller resources and energy footprint. Yes, we can say remanufactured products are better than new." And at that moment **#BetterThanNew** came into being.

The formal presentations over, there were interventions from the German automotive sector, **HP**, **Digital Europe** and others. Perhaps the most surprising came from **Tetra Pak** who pointed out that they had reorganized their internal business in 2017 to manage the second life of their equipment supplied to dairies and other food processors around the world. "We will be able to provide renovated equipment with warranties equal to those for new products," said Dr Sabine von Wirén-Lehr.

Frederick Federley MEP gave the final contribution to **David Fitzsimons** from the **European Remanufacturing Council**, who highlighted the earlier proposal from **Hugo-Maria Schally** to work closely with China. "No one should underestimate the ambition of China or the enormous scale of opportunities to industrialise remanufacturing. At the

moment, this part of the circular economy is worth €30 billion and is almost entirely in the B2B sector. There is great potential to extend it into the B2C sector. In remanufacturing and reconditioning we could aim to replicate the success seen in recycling rates, which have been driven up from 3% in 1990 to nearer 50% in leading countries. Today, remanufacturing represents just 2% of manufacturing activity. Imagine what it could be if extending the life of many more products through remanufacturing became normal?"

In conclusion, this was a positive meeting with a strong sense that policy makers in Europe want to support businesses that offer remanufactured and reconditioned products. But spare a thought for **Michelin** and others in

the tyre sector; they need more than fine intentions and supportive words.

Implementing an extended producer responsibility (EPR) measure for tyres might be one action that would create jobs. And on this, like so much else, it is French ambition and leadership which could shape the future. The French Government is to publish in March 2018 a circular economy strategy. Might this be an opportunity to propose a €5 fee on a new tyre, refunded as a €15 discount on a remanufactured one? Such an approach (the refund maths really do work!) would divert attention from questions over free and fair trade and instead place the emphasis back on policy instruments that favour the high-quality designs required to make a circular economy normal.
