

**Notice pursuant to Article 19 (3) of Council Regulation No 17/62 ⁽¹⁾ concerning Case
No IV/C-3/36.494 — EACEM energy saving commitment**

(98/C 12/02)

(Text with EEA relevance)

I. INTRODUCTION

1. On 30 April 1997, the European Association of Consumer Electronics Manufacturers ('EACEM') submitted to the European Commission for negative clearance and/or exemption pursuant to Article 85 of the EC Treaty and Article 53 of the EEA Agreement, a voluntary commitment entered into by a large part of its members to reduce energy consumption by televisions ('TVs') and video recorders ('VCRs') in standby mode.

II. THE PARTIES

2. The parties to the commitment are EACEM and 16 of its member firms:

- Aiwa (UK) Ltd,
- Bang & Olufsen,
- Grundig AG,
- Hitachi Home Electronics Europe Ltd,
- JVC Europe,
- Loewe Opta GmbH,
- Mitsubishi Electric UK Ltd,
- Panasonic Europe Ltd,
- Philips Sound & Vision,
- Pioneer Electronic Europe NV,
- Samsung Europe Headquarters,
- Sanyo UK Sales Ltd,
- Sharp Corporation,
- Sony Europe GmbH,
- Thomson Multimedia,
- Toshiba.

3. EACEM is a Brussels based organization representing the European consumer electronics industry. EACEM has 29 members, comprised of 22 individual companies and 7 national trade associations. EACEM's member companies account for more than 80 % of the European market for TVs and VCRs.
4. The 16 member companies of EACEM that have made the voluntary commitment are all manufacturers of electrical and electronic goods active in Europe. All of them manufacture TVs and VCRs, and between them they account for approximately 64 % in volume of the EEA market for these products.

III. PRODUCTS AND MARKETS

5. The notified voluntary commitment relates to the power use of TVs and VCRs. The parties, all of which sell their products throughout the EEA, have undertaken to meet certain target values for the power use of the TVs and VCRs that they sell throughout the EEA. The agreement will therefore affect either an EEA wide market for TVs and VCRs or a set of smaller geographic markets for TVs and VCRs comprising the EEA. The market position of the parties to the voluntary commitment is approximately the same under either of these market definitions.
6. The Commission has been provided with market share estimates made by an independent market research firm for the 'Western European' market for TVs and VCRs. These figures exclude sales in some of the smaller EEA states. EACEM have represented that including these countries in the figures provided would not significantly change the market shares obtained. According to these figures the 16 firms that have made the voluntary commitment account for 64,6 % of the European market for TVs in volume terms, and 64,5 % of the European market for VCRs in volume terms.

IV. BACKGROUND TO THE AGREEMENT

7. The vast majority of TVs and VCRs produced and used in Europe operate by remote control. Switching a TV off using only its remote control, i.e. without disconnecting it from the mains electricity supply or using the main on/off switch merely switches the TV

⁽¹⁾ OJ 13, 21.2.1962, p. 204/62.

to a standby mode where it continues to use electrical power. Similarly, switching a VCR off without disconnecting it from the mains power supply, leaves it in a standby mode where it is still consuming electrical power. VCRs are typically left in this standby mode in order that their internal clock continues to work so that they can be programmed to switch on to record certain television programmes.

8. The combined power use of the numerous TVs and VCRs in Europe while in these standby modes represents a significant consumption of energy, which could be substantially reduced by changes in the design of TVs and VCRs. Individual firms, and public bodies wishing to reduce overall energy use have been studying this problem.

9. One of the most recent studies of this problem was commissioned by the Commission's Directorate-General for Energy (DG XVII) and completed in November 1996. This study, entitled 'Standby losses and energy saving potential for television and video recorder sets in Europe', was made by a group of consultants led by Novem BV of the Netherlands.

10. As part of this study the 'Environmental Change Unit' at Oxford University calculated estimates of future power use by TVs and VCRs in Europe while in standby mode, and modelled the effect of an industry scheme to reduce standby losses on this use. Using information obtained from five major manufacturers the group constructed a model of the existing population of TVs and VCRs in Europe analysed by remaining useful life and standby power consumption. Based on this model the group produced predictions of total standby power use by all TVs and VCRs in Europe based on a number of scenarios. The two most relevant scenarios were the 'baseline', which assumed that as existing appliances were replaced by users they would be replaced with appliances from manufacturers' current product ranges, and a scenario which assumed that the notified arrangement was in place, i.e. that manufacturers would reduce the average standby power use of their appliances to 6W by 2000. The main result of this modelling exercise are set out in the tables below. The model's results were in terms of terawatt/hours of electricity. Monetary values have been assigned to the predicted savings using an average price to consumers of electricity of 0,15 ECU/KWh, which was used in the study to calculate consumer savings.

**TV Standby energy consumption
(TWh unless otherwise indicated)**

	Baseline	Agreement	Saving	Saving (ECU million)
1995	4,8	4,8	0,0	0
2000	6,2	5,9	0,3	45
2005	7,1	6,3	0,8	120
2010	7,8	6,5	1,3	195

**VCR Standby energy consumption
(TWh unless otherwise indicated)**

	Baseline	Agreement	Saving	Saving (ECU million)
1995	9,6	9,6	0,0	0
2000	10,3	9,3	1,0	150
2005	10,5	8,1	2,4	360
2010	11,2	7,9	3,3	495

**Combined Standby energy consumption
(TWh unless otherwise indicated)**

	Baseline	Agreement	Saving	Saving (ECU million)
1995	14,4	14,4	0,0	0
2000	16,5	15,2	1,3	195
2005	17,6	14,4	3,2	480
2010	19,0	14,4	4,6	690

11. The most striking result is that by 2005 total electricity use in Europe will be 3,2 TWh lower each year than it would be without this scheme. At current prices this would represent a saving to consumers of ECU 480 million per year, and in addition would avoid all of the negative externalities involved in generating this much electricity. As against this, the study estimates the cost of adapting a design of TV or VCR that does not yet conform to the 6W target to be ECU 3 per unit. On this basis the report estimates that the cost to industry of implementing the scheme will be 'up front' redesign and depreciation of old stock of ECU 11 million and an ongoing extra cost of components of ECU 65 million per year.

V. THE NOTIFIED AGREEMENT

12. The notified arrangement is in the form of a voluntary commitment sponsored by the trade association, EACEM, and signed by the manufacturers mentioned above. The commitment was devised by EACEM in consultation with the staff of DG XVII, and it calls on the parties to make various reports to the Commission on the attainment of the environmental and energy saving goals of the scheme. To preserve the confidentiality of the parties, and to avoid anti-competitive exchanges of information, the scheme is to be administered by an outside consultant. Any interested manufacturer can make the commitment and join the scheme and the only sanction for failing to meet the commitments is publicity that one no longer does so.

13. The commitments made by the various groups are as follows:

(i) *The manufacturers*

- From 1 January 2000 all TVs and VCRs they place on the market will have a standby power use less than or equal to 10W. The average standby power consumption of all the units sold by a given manufacturer will not exceed 6W.
- From 1 January 1998 manufacturers will inform consumers of the standby power use of all the models of TV and VCR that they put on the market.
- From 1 July 1997 manufacturers will provide an independent consultant with information about the power use of each model of TV and VCR sold by them and the number of units of each type sold.
- In addition each manufacturer will participate in further efforts to reduce the energy use of consumer electronic appliances.

(ii) *EACEM*

- To establish and keep updated a list of participating manufacturers, and to provide this list and updates to DG XVII of the Commission, and to third parties who request it.
- To obtain market share and sales data from the independent market research firm on sales of TVs and VCRs and to provide this information to the consultant.
- To engage the outside consultant and manage the contract with the consultant.

(iii) *The consultant*

For each calendar year, the Consultant will prepare and submit to EACEM and DG XVII by the end of April the following year, a report setting out: a list of the manufacturers who have not supplied data, a list of the manufacturers whose sales figures differ by more than 10 % from the independent market research firm data, the joint market share of the manufacturers, and from 30 January 2001 a list of the manufacturers exceeding the specified maximum and average standby power consumption figures and an overall average standby power consumption for all the manufacturers.

VI. CONCLUSION

14. The Commission intends to take a favourable view pursuant to Article 85 of the EC Treaty and Article 53 of the EEA Agreement towards the notified agreement; before doing so it invites all interested third parties to submit their observations within 30 days of the publication of this notice to the following address quoting the reference IV/C-3/36.494 — EACEM:

European Commission,
Directorate-General for Competition (DG IV),
Directorate C — Information, Communication and Multimedia,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.