

Quarterly publication of the European Materials Handling Federation Issue 2021/01





#### INTRODUCTION

The European materials handling industry manufactures equipment that enables the movement, storage, control and protection of materials, goods and products. We deliver organisational and technical solutions for efficient and sustainable materials flow. Our equipment is present in almost every production and distribution facility throughout the entire supply and logistic chain, and during the whole lifecycle of products from manufacturing to distribution, consumption and disposal. In a world that goes faster, we keep things moving.

The materials handling, lifting and storage industry covers different segments: conveyors for bulk handling, cranes and lifting equipment, elevating equipment, industrial trucks, intralogistics systems, mobile elevating work platforms and racking and shelving.

As a non-profit trade association, FEM has represented European manufacturers of materials handling, lifting and storage equipment since it was founded in 1953. Together with its 13 members from the EU, as well as UK, Russia and Turkey, FEM promotes a common vision for the industry and the preservation of its international leadership. As one of the largest mechanical engineering sectors, the European materials handling industry employs close to 300,000 people directly and generates an annual turnover of more than 60 billion euros.

## Supporting the digital transformation

FEM sets out its requirements for a supportive regulatory and R&D framework

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# **FEM News**

#### Max Winkler elected in the Board of FEM



Max Winkler, VP Product Development Supply Chain Solutions at Dematic / KION Group AG, was elected in the Board of FEM on 17<sup>th</sup> March 2021. He will represent the FEM Intralogistic Systems Product Group, of which he became President at the end of January, with Andreas Koch, Vice-President, Andreas Koch, Head of Standard Solutions at SSI Schäfer taking the position of Vice-President.

Dr. Winkler brings a wealth of 20 years of experience in the intralogistics industry. His various roles in Business Development, Quality, Manufacturing,

R&D and Product Design cover all the aspects of intralogistics systems' multifaceted world. "Our Product Group will actively support FEM central in ensuring a constructive European regulatory framework for the material handling manufacturers" he said.

#### FEM supports International Women's Day

FEM contributed to International Women's Day on 8<sup>th</sup> March, a special opportunity to shine the spotlight on women working in our industry, highlighting their unique experiences and expertise, and what led them on this career path.

FEM shard the inspiring story of Sophia Arfaoui. Award winner at the 2018 FEM Smart Logistics Challenge, Sophia is now Operational System Data Engineer at Vanderlande. In an interview, Sophia explained how she discovered a dynamic and innovative industry that is "at the centre of the supply chain" and where you can find a 'diversity of role, skills and experience'.



Viewing the Material Handling Industry as a conservative, "dusty" sector is a cliché. What I discovered is that you are at the epicenter of the supply chain! You get to not only think about the product itself, but also its integration and interoperability.

Sophia Arfaoui

Operational System Data Engineer at Vanderlande





Read the full interview here.

The campaign was very successful, generating 1539 impressions on Twitter and 6665 impressions on LinkedIn. FEM will most certainly renew it next year, this time on a larger scale, to help promote the materials handling industry in all its richness and diversity.

#### **Product Groups news**



#### **Cranes & Lifting Equipment**

VDMA, OPC Foundation and FEM have created a the Joint Working Group OPC UA for Cranes and Hoists with the aim of working together to reduce the effort of integrating cranes and hoists with other machines and installations, and higher-level production systems. The first phase of the project will consist in developing a Companion Specification for Cranes and Hoists Part 1, which will enable standardised communication between cranes and external systems, such as MES, ERP or Cloud as part of future Industry 4.0 machine-to-machine communication.

Companies interested in participating can contact Paul Zepf, <a href="Paul.Zepf@vdma.org">Paul.Zepf@vdma.org</a>.



#### **Mobile Elevating Work Platforms**

The FEM MEWPS PG has published the new guideline <u>FEM 12.003 – Mobile Elevating Work Platform</u> – <u>Information & suitability for the task of exiting and/or re-entering at height</u>.

The document deals with criteria for the selection of a Mobile Elevating Work Platform for tasks which require exiting and/or re-entering at height, a kind of use which is not considered by the standard EN 280 (Mobile elevating work platforms – Design calculations – Stability criteria – Construction – Safety – Examinations and tests) as intended use for MEWPs.

The document is primarily addressed to MEWP users who intend using a MEWP for exiting and/or reentering at height but also to MEWP manufacturers, to provide them with useful information to help in applying correctly the requirements of the Machinery Directive 2006/42/EC.



# **Task forces activities**

#### **Machinery Directive**

On 21 January, FEM and CECE joined forces to host a <u>virtual workshop</u> exploring 'New Technologies and Machinery Legislation', welcoming over 200 participants. The event gave the industry an opportunity to restate its position in favour of a Machinery Directive essentially fit for purpose in the face of digital innovations.



Prior to the Commission Machinery Expert Group meeting on 23-24 March, the FEM TF Machinery Directive held a web meeting to prepare for this meeting by identifying the key issues of interest of FEM, in particular those where FEM needed to directly contribute to the discussions or simply monitor the debate. At the same time, the TF MD agreed on a preliminary FEM advocacy strategy for the revision of the MD, focusing at this stage on the objectives and messages to pursue during the upcoming legislative process and anticipating the next immediate steps before the proposal is to be published.

During the Expert Group meeting, FEM paid close attention to the Commission's announcement of main changes that are expected in the proposal for a Machinery Regulation. While some positive elements were outlined (alignment to the New Legislative Framework, transition period of minimum four years, same definition of partly completed machinery) there are various foreseen developments which may have negative implications for the materials handling industry: in particular, the removal of the option of self-assessment for all Annex IV machines (including AI machinery ensuring safety function as a safety component which will be included in Annex IV). Another potentially worrying provision is the Commission's empowerment to adopt technical specifications with the support of an external consultant (not CEN CENELEC) in case CEN CENELEC rejects the standardisation requests or there are no harmonised standards made available. FEM will also have to carefully look at the inclusion of requirements on digital technologies (cybersecurity with an impact on safety, human-machine interaction, machines with evolving capacity) as well as new definitions (e.g. on substantial modification).

FEM TF MD had another follow-up call on 31 March to take stock of the expected changes in the upcoming proposal and decide on the FEM actions at the pre-proposal stage. FEM agreed to give full

support to an Orgalim high-level letter addressed to the Internal Market Commissioner Thierry Breton, which called on the Commission to withdraw the mandatory third-party certification for Annex IV machines.

The proposal is intended to be adopted on 21 April by the College of Commissioners and will be published shortly after.

#### **Outdoor Noise Directive**

Following the FEM TF Noise meeting on 15 January, the FEM TF Noise worked on a position paper expressing FEM's support to the option of a delegated act amending the Outdoor Noise Directive (OND) measurement methods in Annex III. As a reminder, the Commission laid down two options further to the OND evaluation: either this DA or a full revision of the OND. The FEM position was shared with the Commission on 25 February.

FEM also participated in the Noise WG meeting on 17 March and presented a summary of the position paper towards the wider noise experts' community. The industry stakeholders, including FEM, are all aligned on the preference for the delegated act and the justifications backing up this option. The Commission took the decision to proceed with the delegated act as a first preparatory phase paving the way towards the OND revision. To reassure the Member States who are strongly in favour of the OND revision, the Commission informed that the revision will certainly be pursued but not in the short to medium-term, since the most urgent issue to tackle is the update of Annex III in the Directive.

### **Upcoming Batteries Regulation**

Batteries have been identified as one of the key strategic value chains and technology to achieve a green transition. After several months of preparation, on 10 December, the European Commission finally published its <u>proposal to revise the Batteries Directive</u> (2006/66/EC).

As presented in the previous edition, the European Commission tabled a very ambitious proposal to reach its objective: all batteries placed on the EU market should become sustainable, high-performing and safe all along their entire life cycle. All types of batteries fall in the scope of the proposal: industrial, automotive, electric vehicle and portable batteries as well as batteries for energy storage. However, some provisions apply only to certain categories of batteries, or even sub-categories.

In the last weeks, the FEM Task Force Battery held several meetings to carefully analyse the relevant provisions, mainly for 'industrial batteries', of the Commission proposal. The Task Force also prepared key messages and discussed alternative proposal to amend the regulation. The FEM Task Force Battery is currently drafting a position paper, which will be published in the coming weeks to engage with decisions makers.

In addition, the FEM Task Force Battery has been closely following the legislative process in the Council and European Parliament, which started in early 2021.

In the European Parliament, the rapporteurs and shadow rapporteurs of every Committee (IMCO, ITRE, ENVI, TRAN) have been nominated. The European Parliament Committee on Internal Market and Consumer Protection (IMCO) has the lead on this proposal and its rapporteur is MEP Antonius

Manders (EPP, Netherlands). The first <u>discussion</u> in IMCO Committee took place on 17 March. The rapporteur indicated that he would like to reach the first reading by the end of 2021; however, the detailed calendar has not been published yet. Moreover, the Committee gave its support to the full harmonisation and regulation approach.

In the Council, the file is a priority of Portuguese Presidency. On 18 March, the Environment Ministers <u>exchanged views</u> on the proposal and welcomed its ambition. However, they cautioned against an undue administrative burden, as this could lead to higher prices for industrial batteries.

Furthermore, some Member States raised concerns about reaching the targets and recycling capacity. Some Member States were also open to exploring a dual legal basis and maintaining national system flexibility (the Commission had proposed a regulation with a single legal basis: internal market, leading to full harmonisation). Finally, Environment Ministers stressed the need to consider new products that would become mass products in the future. Mr. Sinkevičius, Commissioner for Environment, stated during that meeting that the timeline, whilst ambitious, was realistic, and that allowing industry sufficient time would be crucial.

#### **SCIP** database

Despite a lengthy debate, the European Chemicals Agency (ECHA) eventually launched the SCIP database on 28 October 2020, and suppliers shall submit SCIP notifications since 5 January 2021. As a reminder, 'SCIP' is the database for information on Substances of Concern In articles as such or in complex objects (products) established under the Waste Framework Directive.

Since then, a legal opinion on SCIP was commissioned by a group of German associations. In short, according to the main outcomes of the legal opinion, no clear authority can be derived for ECHA to independently define additional requirements beyond the requirements of Article 33(1) of the REACH Regulation. In addition, there are reasonable doubts as to the compatibility of the mandatory fields specified by ECHA and several general principles of European law. Under the conditions provided for this purpose in Art. 263 TFEU, an action for annulation of the mandatory fields specified by ECHA is conceivable. Finally, given that suppliers had no opportunity to enter data before end of October 2020, the commencement of the requirement as of January 5, 2021 set out in Art. 9(1)(i) of the Waste Framework Directive appears no longer compatible with the principle of protection for reliance on the legal situation originally envisaged, which is also inherent in EU law.

The Member States transposition of notification requirements is still ongoing but not harmonised. The European Commission has also <u>notified</u> the SCIP amendment of the Waste Framework Directive to the WTO in February 2021.

In addition, ECHA has already received 6.6 million notifications from around 3000 legal entities. Moreover, ECHA has published <u>advices</u> on oversized SCIP dossiers (dossiers with more than 1000 components). Furthermore, the main SCIP user manual "<u>Requirements for SCIP notifications</u>" is now available in 23 official EU languages. ECHA has also updated the <u>Candidate List package</u> on reference substances, aligning it with the updated <u>Candidate List</u> and has published <u>tips to improve submissions through system-to-system (S2S)</u>.

#### **Digitalisation**

Early February, FEM released its <u>Digital Manifesto</u>: "Supporting the digital transformation of the materials handling industry". The document results from the work of the Task Force Digitisation. It highlights the conditions required for enabling and supporting the digital transformation of the materials handling industry. the Manifesto outlines technological and market trends, and sets out the requirements for a supportive regulatory and R&D framework. Together, these will create the right conditions for our companies to further develop their global competitiveness and employment.

Following the publication of the FEM Digital Manifesto, the Digitisation Task Force has started focusing its activities on the substantial EU digital legislation agenda for 2021. By means of a template summarising the main legislative proposals in the areas of cybersecurity, artificial intelligence and data, it is gathering and drafting preliminary comments from its members.

Discussions have started in the European Parliament and the Council on:

- A proposal for a revised Directive on Security of Networks and Information Systems (NIS2) presented on 16 December 2020. This piece of legislation extends the scope of the current NIS Directive to all sectors in the engineering industries branch and contains very detailed requirements concerning i) the adoption of measures to manage the risks posed to the security of network and information systems which the entities use in the provision of their services, to be approved and supervised by the management body of the entity, ii) the accountability and the need to undergo specific training the management bodies, iii) obligations to report cyber-incidents or cyberthreats and v) inclusion in a register maintained by the European cybersecurity agency
- The Commission proposal for a Regulation on <u>new rules on data governance</u> presented on 25
  November 2020 (Data Governance Act), with the objective of facilitating data sharing across
  the EU and between sectors to create wealth for society, increase control and trust of both
  citizens and companies regarding their data, and offer an alternative European model to data
  handling practice of major tech platforms.
- The final adoption of the revised e-Privacy Regulation, complementing the General Data Protection Regulation (GDPR) and expected since 2017. To ensure full protection of privacy rights and to promote a trusted and secure Internet of Things (IoT), the rules will also cover machine-to-machine data transmitted via a public network

More is expected from the EU Commission in 2021:

- The upcoming EU Rolling Work Programme of cybersecurity certification schemes to be adopted as part of the implementation of the EU Cybersecurity Act: two schemes on the IoT and on Industrial Automated Control Systems (IACS) have already been announced
- The upcoming Commission legislative proposal covering the safety, liability, fundamental
  rights and data aspects of Artificial Intelligence, which will be presented at the same time as
  the revised Machinery Directive proposal. Based on preliminary documents, the Commission
  would focus its proposal on the protection of fundamental rights and the facilitation of the

emergence of a market for trustworthy AI, including by ensuring a level playing field (preservation of the EU Internal Market amongst others)

• The future Data Act, aiming to support business-to-business data sharing by addressing usage rights for co-generated data (such as IoT data in industrial settings), to identify and address any undue existing hurdles hindering data sharing and clarify rules for the responsible use of data, to foster business-to-government data sharing for the public interest; to evaluate the Intellectual Property Rights (IPR) framework, including a possible revision of the Database Directive and a possible clarification of the application of the Trade Secrets Protection Directive, and to limit the compulsory access to data to specific cases.

#### **Digital Compass**

On 9 March, the European Commission presented a Communication on "2030 Digital Compass: the European way for the Digital Decade".

This document sets out:

#### a) Four objectives (called "cardinal points") towards 2030

- At least 80% of all adults should have basic digital skills, and there should be 20 million employed ICT specialists in the EU – while more women should take up such jobs;
- All EU households should have gigabit connectivity and all populated areas should be covered by 5G; the production of cutting-edge and sustainable semiconductors in Europe should be 20% of world production; 10,000 climate neutral highly secure edge nodes should be deployed in the EU; and Europe should have its first quantum computer;
- Three out of four companies should use cloud computing services, big data and Artificial Intelligence; more than 90% of SMEs should reach at least basic level of digital intensity; and the number of EU unicorns should double to 250;
- All key public services should be available online; all citizens will have access to their emedical records; and 80% citizens should use an eID solution.

#### b) A framework of digital principles

This framework will be based on EU fundamental rights such as:

- Freedom of expression, including access to diverse, trustworthy and transparent information,
- Freedom to set up and conduct a business online,
- Protection of personal data and privacy, and right to be forgotten,
- Protection of the intellectual creation of individuals in the online space.

The principles will be identified through a wide societal debate and could for example include:

- Universal Access to internet services
- A secure and trusted online environment
- Universal digital education and skills for people to take an active part in society and in democratic processes
- Access to digital systems and devices that respect the environment
- Accessible and human-centric digital public services and administration
- Ethical principles for human centric algorithms
- Protecting and empowering children in the online space
- Access to digital health services.

The Commission will propose to include these principles and rights in an inter-institutional solemn declaration between the European Commission, the European Parliament and the Council.

#### c) Digital Compass

The Commission will propose a policy programme to be adopted by the European Parliament and the Council, in the form of a "Digital Compass" that will include:

- concrete targets to reach the four cardinal points measured at EU and national level with key performance indicators based on an enhanced Digital Economy and Society Index (DESI)
- a governance structure-including an annual "European State of the Digital Decade Report" by the Commission to the European Parliament and Council on the progress towards the Digital Decade
- A monitoring of the digital principles endorsed in the inter-institutional declaration, and

(iv)a mechanism to organise with Member States a set of Multi-Country Projects that are necessary for building Europe's digital transition in critical areas, some of which listed in the Communication (p. 16&17)



# **EU legislative issues**

#### **General Issues**

#### Standardisation Policy & Market Surveillance

In the context of the Blue Guide revision, the Commission has recently opened a short consultation specifically for standardisation experts, on the standardisation chapters (4.1.2 and 4.1.3) of the Blue Guide. This consultation closed on 12 March.

Based on the feedback received in the first round of consultations on the Blue Guide last year, the Commission attempted to limit the proposed changes to those issues on which they believe that there is a sufficient level of consensus. Therefore, sections which describe in detail the process for the development of harmonised standards (in particular on standardisation requests, assessment of draft harmonised standards during their development, verification of harmonised standards prior to the publication of their references in the OJEU as well as the publication decisions by the Commission) are taken out, because these issues are primarily covered in the <u>Vademecum on European standardisation</u>. Instead, the focus is on the role and effects of harmonised standards, in particular from the perspective of economic operators.

The FEM Technical and Regulatory Committee convened a web meeting on 2 March to prepare the FEM feedback on the standardisation chapters of the Blue Guide. This contribution was submitted to the Commission on 12 March.

The Commission's aim is to publish the final revised Blue Guide by the end of July 2021.

#### **Road Circulation**

The European Commission has recently <u>published</u> the full contributions to the road circulation public consultation, and a summary of the results. The FEM response to the consultation was published on 2 February and is includes in the list of contributions received by the Commission.

According to the results of the consultation, 91% of the respondents believe that an EU-initiative on road circulation is necessary to harmonise the currently diverging national requirements for road circulation of mobile machinery.

In terms of the preferred policy option, 61% of respondents picked policy option 1.b (hybrid approach) as the solution that best achieves the objective of having an EU-wide road approval system for mobile machinery. The Member States' authorities and technical services selected either 1a (full EU type approval) or 1b as the most effective option.

In terms of next steps, the Commission is planning a road circulation workshop in May 2021. It is estimated that the future proposal for a Regulation on the harmonisation of road circulation requirements for mobile machinery will be tabled in the first quarter of 2022.

#### **REACH Regulation**

#### Substances of Very High Concern (SVHC)

As part of the SVHC 2020 Roadmap launched by the Council of the EU in 2013, all relevant, currently known, substances of very high concern have been identified and included in the Candidate List. Systematic screening of registered substances has been key in identifying new chemicals of concern. The goal of the SVHC Roadmap was to identify all relevant, currently known substances of very high concern and include them on the Candidate List by 2020. SVHCs are chemicals that are carcinogenic, mutagenic or toxic to reproduction (CMRs), persistent, bioaccumulative and toxic or very persistent and very bioaccumulative (PBTs/vPvBs) and chemicals that pose an equivalent level of concern like endocrine disruptors (EDs) and sensitisers. The Candidate List now contains more than 200 substances. The roadmap also aimed to efficiently identify new chemicals of concern. EU Member States and ECHA have systematically screened information on registered substances. By the end of 2020, Member States had carried out regulatory management option analysis (RMOA) on around 220 chemicals of potential concern and identified a need for further regulatory action for about 80 % of them.

Moreover, new intention to identify a substance of very high concern has been received for a series of substances, which is available on the ECHA website (see <a href="here">here</a>). This list notably includes MCCP, which are used in polymers/rubbers, adhesives and sealants, coating products, working fluids and textile treatment products; the family of substances is also discussed for restriction under the RoHS Directive.

#### Authorisation

The endless discussions to authorise the use of chromium trioxide is still ongoing. As a reminder, the <u>European Commission</u> authorised in December 2020 five out of the six essential uses of chromium trioxide applied by the CTAC consortium, including hard chrome plating (use 2) and surface treatment (use 5), and passivation of tin-plated steel (use 6).

However, the European Parliament voted on 23 February 2021 in favour of suing the European Commission over its decision and of bringing this case to the Court of Justice of the EU to seek its annulment. The European Parliament has repeatedly criticised the Commission for its failure to scrutinise companies' authorization requests for a lack of data.

Moreover, ECHA has launched a consultation on two applications for authorisation on chromium trioxide used in functional plating of engine valves and valve actuation ("lash adjusters", <u>use 1</u>) and in industrial formulation of a chromium trioxide solution below 0.1 % w/w concentration for the passivation of copper foil used in the manufacture of lithium ion batteries for motorised vehicles (<u>use</u> 2). The deadline for comments is 14 April 2021.

In addition, ECHA has published its <u>guidance on the preparation of an application for autorisation</u>. This document, updated in January 2021, describes how to prepare an application for authorisation and provides guidance on analysis of the alternatives and substitution plan. It also describes how third parties may prepare and submit information on alternatives. The updated guidance reflects the 2019

General Court judgments on interpreting the suitability of alternatives in the application process. It clarifies the need for applicants to include substitution plans in their applications if the analysis of alternatives shows that suitable alternatives are available in the EU – although these alternatives might not be technically or economically feasible for the applicant. ECHA also updated its <a href="How to apply for authorisation guide">How to apply for authorisation guide</a> to reflect the changes made to the guidance. It explains how applicants are required to include a substitution plan in their applications if the analysis of alternatives shows that suitable alternatives are available in the EU.

#### **RoHS 2 Directive**

#### • RoHS General Review

The RoHS review has started with the RoHS evaluation. The study was launched in 2019, and the publication of the final report is expected in next weeks. According to the Better Regulation principles: efficiency, effectiveness, coherence, added value of the Directive, the study assessed how RoHS has been performing so far. The conclusions will be incorporated into the Staff Working Document of the Commission, which is expected for Q2 of 2021. Moreover, the Commission contracted consultants to help with the impact assessment. The study will run for 10 months, starting from March 2021. The impact assessment will evaluate different policy options, including the nature of RoHS (regulation or directive). The Commission's legislative proposal to revise the RoHS Directive is scheduled for early 2022.

#### Renewal of exemptions

Further to the series of renewal requests submitted by the industry in 2020, the European Commission has contracted external consultants to perform the technical assessment. To facilitate the process, the Commission split the exemptions in different batches.

Under the name RoHS project ('Pack 22'), the assessment of sixteen requests to renew lead related exemptions 6(a)/6(a)-I, 6(b)/6(b)-I, 6(b)-II, 6(c), 7(a), 7(c)-I and 7(c)-II (RoHS Annex III) started in December 2020. It is led by Oeko-Institut together with Fraunhofer IZM. The final technical study report is expected in September 2021. For more details, please see the Technical specifications and the Project Description.

Regarding Pack 23 (which includes exemptions 4(f), 8(b)/8(b)-I, 13(a), 13(b)/13(b)-I/13(b)-II/, 15/15(a) and 9(a)-II), the final technical study report is expected in October or November 2021. The external consultants are Bio Innovation Service, UNITAR and Fraunhofer IZM.

Finally, the stakeholder consultation for Pack 24 (which includes exemptions 18(b), 18(b)-I, 24, 29, 32 and 34 of Annex III and exemption 34 of Annex IV) will be held in April or May 2021. The final technical study report is expected in October or November 2021. The external consultants are Ramboll and Oeko-Institut.

#### • Potential restriction of additional substances

The Commission released in February 2021 the study report about further restriction of substances. In short, the study recommends including Tetrabromobisphenol A (TBBP-A, flame retardant) and Medium chain chlorinated paraffins (MCCPs) in Annex II. A selective restriction of beryllium bearing alloys in abrasive EEE components, such as electric motor brushes, should also be considered

#### **Circular Economy Policy**

#### Sustainable Products Initiative

In the autumn of last year, the European Commission launched a public consultation on the <u>Sustainable Products Initiative</u> roadmap. All contributions are available <u>here</u>.

This inititaive is a key part of the new Circular Economy Action Plan for a cleaner and more competitive Europe, one of the main flagships of the European Green Deal and a pillar of the New Industrial Strategy for Europe. The goal is to make products fit for a climate neutral, resource efficient and circular economy, reduce waste and ensure that the performance of frontrunners in sustainability progressively becomes the norm As a reminder, the main points of interest include broadening the scope of the Ecodesign Directive beyond energy related products, mandatory requirements for recycled content, information and labelling, and digital product passports.

In last week, the Commission launched another <u>public consultation</u>, which aims to gather opinions and evidence on the main policy options for the legislative initiative which is expected by the end of this year. The deadline to respond to this consultation is 9 June 2021. The final proposal is planned to be adopted in the 4<sup>th</sup> quarter of 2021, but 1<sup>st</sup> quarter of 2022 is becoming more likely.

#### • EP Own-Initiative report on Circular Economy Action Plan

The European Parliament adopted on 10 February a resolution on the <u>New Circular Economy Action Plan</u> (CEAP), led by Rapporteur <u>Jan Huitema</u> (RE, Netherlands). As a reminder, this report is not legally binding, but poses political weight on future decisions.

The report comes in response to the European Commission's <u>Communication</u> on the new CEAP from March 2020, and provides a comprehensive set of policy recommendations to achieve a carbon-neutral, sustainable, toxic-free and fully circular economy by 2050.

The resolution's main calls and recommendations include:

- Product design requirements that prevent waste, reduce energy, resource use, harmful substances, pollution and protect human health.
- Binding targets and circularity indicators for materials use, recycled content, and consumption footprint on each product category.
- Sustainable Products Policy: Broadening of Ecodesign's scope to include non-energy related products already in 2021; Horizontal sustainability principles and product-specific standards on durability, reusability, remanufacturing, recyclability, resource and material efficiency.
- Measures against greenwashing, false environmental claims and planned obsolescence, and EU Ecolabel strengthening.
- Minimum GPP criteria and targets.
- National Recovery Plans to embrace the circular economy principles

#### **EU Climate Law**

In light of the European Climate Law proposal and the 2013 Climate Change Adaptation Strategy, the European Commission adopted on 24 February a <u>new EU Strategy on Adaptation to Climate Change</u> (<u>0&A</u>).

The communication sets out a pathway to prepare for the unavoidable impacts of climate change. The focal points include improving the knowledge on climate impacts and adaptation solutions, stepping up adaptation planning and climate risk assessments, accelerating adaptation action, and boosting global climate resilience.

#### **Trade**

#### **European Trade Policy - new trade strategy**

On 18<sup>th</sup> February, the European Commission presented its <u>open</u>, <u>sustainable</u> and <u>assertive EU trade</u> <u>strategy</u>. Reflecting the concept of open strategic autonomy, the Commission is putting sustainability at the heart of its new trade strategy, supporting the transformation of its economy to a climate-neutral one. The strategy includes a series of headline actions which focus on delivering stronger global trading rules and contributing to the EU's economic recovery.

The strategy prioritises a major reform of the World Trade Organisation, including global commitments on trade and climate, new rules for digital trade, reinforced rules to tackle competitive distortions, and restoring its system for binding dispute settlement.

With the new strategy, the EU hopes to strengthen the capacity of trade to support the digital and climate transitions, notably by removing unjustified trade barriers in the digital economy and by reinforcing its alliances, such as the transatlantic partnership, together with a stronger focus on neighbouring countries and Africa so as to be better able to shape global change. At the same time, the EU will adopt a tougher, more assertive approach towards implementation and enforcement of its trade agreements, fighting unfair trade and addressing sustainability concerns.

#### **EU-US**

On 5<sup>th</sup> March, the EU and the U.S. agreed to suspend all retaliatory tariffs on EU and U.S. exports imposed in the Airbus and Boeing disputes for a four-month period. The suspension allows both sides to focus on resolving this long-running dispute. It provides an important boost to EU exporters, since the U.S. had been authorised to raise tariffs on \$7.5 billion of EU exports to the U.S. Similarly, EU tariffs will be suspended on some \$4 billion worth of U.S. exports into the EU.

# Free Trade Agreements - overview

| Country     | Current Status   | Next steps  |
|-------------|--|---|
| Singapore   | Trade and investment agreements were adopted in October 2018. On 21 November 2019 the Free Trade Agreement entered into force.   | Investment Protection Agreement to be ratified by all the Member States before entering into force. Here more information   |
| Vietnam     | The FTA entered into force on 1st August 2020. The Commission has updated its <u>Guidance on the Rules of Origin</u>   | Here more information   |
| Mercosur    | Ongoing negotiations for a free trade agreement. In June 2019, EU and Mercosur reached a political agreement. The Commission has published a draft sustainability impact assessment.   | On the occasion of a high-level meeting, the different sides discussed a way forward for the ratification and entry into force of the EU-Mercosur Agreement.  Here more information |
| China       | Ongoing negotiations for an Investment Agreement. Agreement in principle reached on 30 <sup>th</sup> December 2020   | The text of the agreement is being finalised and will need to be legally reviewed before submission for approval to the EU Council and the European Parliament.                     |
| Australia   | Ongoing negotiations for a free trade agreement. 9th round of negotiations took place on 30 November – 11 December.  | The date for the next round of negotiations is scheduled March 2021.  Here more information   |
| New Zealand | Ongoing negotiations for a free trade agreement. 9th round of negotiation took place on 23-30 November. This round resulted in a provisional agreement on two additional chapters: 'Small and Medium Enterprises (SMEs)' and 'Capital Movements' | The date for the next round of negotiations is not scheduled yet. Here more information   |
| Indonesia   | Ongoing negotiations for a free trade agreement. The <u>latest round of negotiations</u> took place on 15-26 June 2020. The European Commission has published conclusions of the <u>sustainability impact assessment</u>                         | The date for the next round of negotiations is not scheduled yet. Here more information   |

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|--------------|--|---|
|              |  |   |
| Tunisia      | Ongoing negotiations for a free trade      | Negotiations are at a standstill due to       |
|              | agreement. 4th round of negotiations       | change of government in Tunisia and civil     |
|              | took place in 28-30 April/1-2 May 2019     | society protest. <u>Here</u> more information |
|              | in Tunis.                                  |   |
| Chile        | Ongoing negotiations to revise and         | The 10 <sup>th</sup> round of negotiations is |
|              | modernise the free trade agreement.        | scheduled 19-30 April 2021. Here more         |
|              | The 9th round of negotiations took         | information                                   |
|              | place in January 2021.                     |   |
|              |  |   |
| ESA (Eastern | Ongoing negotiations to deepen the         | The date for the next round of                |
| and          | existing Economic Partnership              | negotiations will take place in April. Here   |
| Southern     | Agreement (EPA). <u>3rd round of</u>       | more information                              |
| Africa       | negotiations took place on 24-27           |   |
| countries:   | November.                                  |   |
| Comoros,     |  |   |
| Madagascar,  |  |   |
| Mauritius,   |  |   |
| Seychelles   |  |   |
| and          |  |   |
| Zimbabwe)    |  |   |
| India        | On 5 February 2021, the EU-India High-     |   |
|              | Level Dialogue on Trade Investment         |   |
|              | held its first meeting. The possibility of |   |
|              | resuming negotiations on a trade and       |   |
|              | investment agreement was discussed.        |   |
|              | These have been suspended for 7            |   |
|              | years.                                     |   |
| L            |  | 1   |

## **Intellectual Property**

## **Intellectual Property Plan**

On 26 February, the European Commission published a <u>Staff Working Document</u> 'Second yearly summary report on the state of implementation of the EU customs action plan to combat IPR infringements for the years 2018 to 2022'.

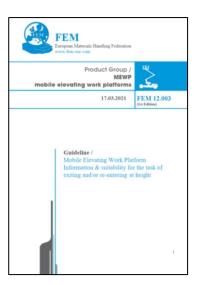
As a background, in October 2018, the Council adopted the 4<sup>th</sup> EU Customs Action Plan to combat infringements of Intellectual Property Rights (IPR) for the years 2018 to 2022. The Action Plan foresees a review mechanism whereby the Commission is required to present yearly summary reports to the Council describing its state of implementation, on the basis of the roadmap.



# **Publications & events**



FEM Manifesto: supporting the digital transformation of the materials handling industry



#### **FEM Guideline 12.003**

Mobile Elevating Work Platform – Information & suitability for the task of exiting and/or reentering at height



European Industrial Strategy In Focus



# Enabling the next generation of global technology leaders

29 April 2021 | Virtual event

More info here



#### European Industrial Strategy In Focus

A series of interactive expert debates to discuss vital questions on EU industrial strategy

## Fragmentation:

Europe's cybersecurity challenge

20 May 2021 | Virtual event



More info <u>here</u>

#### This newsletter is reserved to FEM members

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