

EFCEM view
on revision of Regulations 1094/2015/EU and 1095/2015/EU on ED
and EL for professional refrigerating appliances
and on preparatory study for the ED and EL Working Plan 2020-
2024 for commercial/professional cooking appliances, tertiary hot
beverage appliances, professional laundry appliances and
professional dishwashing dishwashers

We have noted that in the last months important initiatives have been started or have undergone a significant boost. They concern:

- Starting the process for the revision of Regulations 1094/2015/EU and 1095/2015/EU on ED and EL for professional refrigerating appliances, with the launch meeting held on 18 February 2021;
- On 22 February 2021 of "Task 3 Preliminary analysis of tertiary hot beverage equipment" was issued within the frame of the ED and EL Working Plan 2020-2024;
- Inclusion, after the stakeholders meeting held on 10 July 2020, of commercial cooking appliances in ED and EL Working Plan 2020-2024 and circulation on 22 February 2021 of "Task 3 Preliminary analysis of professional cooking appliances";
- A refresh of the initiatives for ED and EL for professional laundry appliances and professional dishwashers with the circulation on 19 March of the "Task 4 complementary analysis and recommendations for the Ecodesign and Energy Labelling working plan 2020-2024"

EFCEM (European Federation of Catering Equipment Manufacturers) has been supportive of initiatives concerning ED and EL for commercial and professional refrigeration appliances, since the very beginning when the Regulations 1094/2015/EU and 1095/2015/EU were developed and the EFCEM testing schedule was used as the interim testing reference for professional refrigerators and freezers. We would like to draw the attention of the interested Units in the Commission and of the Teams that are studying the items covered by the a.m. bulleted points, on the consequences of the COVID 19 pandemic on the hospitality sector and as a result on our industry as one of the most adversely affected economic sectors.

The pandemic is proving to be more persistent and difficult to fight and defeat than expected. This will result in changes to society, now and when the COVID 19 virus is finally managed effectively or defeated. The result in either case will be a strong impact on the market, in particular on the food service and hospitality sector, which is the primary source of destination of products manufactured by our Member Companies.

The business of the Companies which are working in the sector covered by EFCEM and which are mainly SMEs will not continue as usual, the HoReCa¹ sector will take years to recover and come back to a business model similar to the one existing up to the end of 2019/beginning of 2020. The significant changes in society and the new approach from users to the food preparation and delivery that will move towards an increased use of home-based service and significant decrease of the public



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offer, as consequence of the increase of home-office and smart working activities, will be the biggest challenge out Members will have to face.

All of that has been brought to the attention of EU Policy Makers with a letter that was sent at beginning of March and that is enclosed in Annex, in which EFCEM underlines the problems our sector is suffering and calls the Commission and the EU Parliament to look closer to consequences of the COVID 19 and on the medium and long-term economic impacts caused by the change in society as consequence of the trend from in-office activity to smart working/home office activity.

Considering the situation synthetically depicted above and the structure of Companies that are member of EFCEM, our experts had, and will have, significant problems in following the development of the activities on ED and EL for professional/commercial appliances.

In particular it shall be noted that access to laboratories and design/development departments has been reduced and limited due to the anti-pandemic measures adopted in all Companies, thus limiting the possibility to work with specific tests and analysis of the proposals now under discussion in the relevant Study Teams.

EFCEM and its members will do their best to follow the activity, analyse documents that have been and will be circulated and deliver our comments at the best of our capabilities, but we anticipate that it will be impossible to do it with the attention and in the depth required by the importance of this activity and the potential consequences it will have on our Members.

EFCEM calls the EU Commission on a re-evaluation of the plan for the development of measures on ED and EL concerning professional/commercial appliances in the view of postponing of the relevant activities for at least two years.

This will give the possibility for the Commission and relevant Study Teams to evaluate the situation of the HoReCa Sector after the end of the COVID 19 Pandemic and to verify the consequences of the changes in society (e.g. switch of energy use and environmental impact from public sector to home sector) and to our member Companies the possibility to restart activity in Business-like-usual model, being prepared and motivated to face future challenges.

The European Federation of Catering Equipment Manufacturers (EFCEM) was founded in 1969 and includes the key European National Associations and their national members. EFCEM represents manufacturers and distributors of equipment for the storage, preparation, cooking, distribution of food and ware-washing and laundry equipment for the catering, hospitality, foodservice sectors, whether they are profit or not for profit operations.

EFCEM members represent over 800 companies who supply commercial catering equipment to the European and International Foodservice industry.

The total turnover of the companies represented by EFCEM National Associations accounts for more than € 14.000 m and their products range from utensils to full professional kitchen equipment.

¹ The Equipment

Typically, the equipment sector's equipment comprises; cooking and warming, refrigeration, warewashing, beverage, light equipment and tableware, ventilation, spare parts and servicing.

The Customer Base

The sector's operator market comprises outlets which are run by boty Group and Independent operators.

Foodservice equipment is extensively used for out of home eating and drinking across the following key operator sectors:

Primary sector operators – where foodservice is the primary function:

- Hotels, Quick Service Restaurants, Restaurants, Pubs and Bars.

Secondary sector operators – where foodservice is a secondary function:

- Healthcare, Education, Public and Community Services, Armed Forces, Leisure and Recreation, Workplace, Visitor Attractions, Venues, Travel, Stadia and Event Catering, Food Retail Sector

Annex

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Impact of COVID 19 pandemic for the producers of appliances for foodservice and hospitality sectors

We have noted and we appreciate that the NextGenerationEU initiative has stabilised financial markets at an early stage and is therefore already a success story.

However, the close link between the Green Deal and the recovery raises concerns that current and future problems in the most affected economic sectors, like e.g. the one EFCEM (European Federation of Catering Equipment Manufacturers) represents, could be overlooked. The pandemic is proving to be more persistent and difficult to fight and defeat than thought and, as widely known, will dramatically change our society.

An available research¹ performed by “Fraunhofer Institute for Labour Economics and Organisation” and the “German Society for Personnel Management” has shown that 89% of companies still envision the home office activity of their employees as significant option in the future.

The changes in the society, now and when Corona virus will finally be defeated, will cause a strong impact on the market, in particular on the food service and hospitality sector, which is the primary source of destination of products manufactured by our Member Companies.

Connections between a new normality and the effects on food service and hospitality sector should be considered beyond the Solvency Support Instrument and take into consideration the results of the mentioned analyses. If necessary, REACT-EU, the renovation wave or new instruments should be adjusted to changes in society and to the new approach from users to the food preparation and delivery that will move towards an increased use of home-based service and significant decrease of the public offer. It would be inappropriate if the aid were not duly geared to these effects. However,

¹ Fraunhofer IAO: Arbeiten in der Corona-Pandemie - Auf dem Weg zum New Normal, Stuttgart 2020
http://publica.fraunhofer.de/eprints/urn_nbn_de_0011-n-5934454.pdf)

damage in our sector which is largely covered by SMEs, which have limited financial reserves and which data are not easily retrievable, may be difficult to be detected and measured.

There are winners and losers of the Corona crisis. They should not be equated from a political perspective, so that we can continue to be inspired by good food in gastronomy in the future. Now that the climate crisis has triggered the Circular Economy and sustainable product policy, the Corona crisis could also trigger a revolution in the way food is processed, cooked, and delivered, if appropriate supporting instruments are defined and put in place, continuing the good approach taken up to date by the EU policymakers.

In any case, our business will not continue as usual; the resale of cooking appliances will probably increase, while the replacement of new appliances will risk decreasing. On the other hand, this trend will probably be compensated by the demand of intelligent connected appliances, with optimized technology ensuring lower environmental impact and increase of efficiency.

All of this has to be brought together with the increased desire for healthy food, which will be a megatrend for all European citizens.

In our opinion, an economic study is needed, which should identify the medium and long-term economic impacts caused by the change in society as consequence of the trend from in-office activity to smart working/home office activity and the fact that the significant reduction or use of restaurants, hotels and catering services may have on impacted sectors.

Yours sincerely,



Phil Williams

EFCEM President