

## Environmental Goods Agreement negotiations: The European ceramic industry's position

### KEY MESSAGES:

- Cerame-Unie, the European Ceramic Industry Association, supports the EU's ambition to protect the environment and mitigate climate change.
- Furthermore, Cerame-Unie strongly advocates for trade liberalisation through bilateral Free Trade Agreements and is an ardent believer in further broad-based multilateral trade liberalisation and trade facilitation.
- However, with regard to the ongoing European Goods Agreement (EGA) negotiations, we wish to express our concern on the following issues.

#### **Lack of a clear definition of "environmental good"**

The lack of a clear and unequivocal definition of an environmental good is one of the main problems regarding the EGA. Likewise, the ongoing negotiations lack identifiable and objective submission criteria regarding the nature of environmental goods. The combination of these two factors appears to have resulted in a confused and long list of goods, which clearly weakens the environmental credibility of the agreement.

#### **Failure to take into account the environmental impact of goods over their full life cycle**

A good cannot be considered "green" without taking into account the full life cycle of the products, including recycling rate. The simple use of a product is not a sufficient basis for identifying a product as an environmental good. To the extent the EGA's goal is to facilitate cross-border trade in environmental goods, one must also consider the carbon footprint of the intercontinental transport of products.

#### **Need to assess the impact on EU growth and jobs**

A full and transparent assessment of the impact of the agreement on both the European economy and EU employment must be carried out before an agreement is reached and signed. It is worth recalling that one of the European Commission's top priorities, as set out in President Juncker's Political Guidelines in July 2014, is to "get Europe growing again and to increase the number of jobs". Without a complete prior assessment of the possible impact on EU jobs, the potential costs and benefits of the agreement cannot be properly evaluated.

#### **Compliance of "non-EU green goods" with REACH Regulation, CPR, safety at work and CSRs, environmental rules**

Not all countries participating in the EGA negotiations, comply with EU rules on safety at work and CSRs, CPR, REACH and the environment. Where rules do exist, there is often a problem of inadequate enforcement. Standards are high in Europe and must remain high to protect consumers.

#### **Consistency with the EU trade defence instruments policy (TDI)**

Some of the goods reportedly included in the list are currently subject to anti-dumping and/or anti-subsidy duties in the EU (and elsewhere). Even if formally there is no link between the inclusion of

specific goods in the EGA list and the EU TDI policy, the mere fact that they have been subject to trade defence measures signals that these goods have been exported without regard to international trade rules. Liberalising trade of these goods would appear to be an unjustified concession to certain countries rather than driven by environmental goals, especially considering production conditions and the pollution footprint of intercontinental transport.

#### **Technical analysis of ceramic goods being considered for inclusion**

We understand that some WTO members engaged in the EGA negotiations have listed certain ceramic products. We informed the European Commission that it is important to keep ceramic goods outside of the EGA product scope because these products are standard products manufactured in the EU. There is nothing particular qualifying them as green goods when considering their use, maintenance or environmental impact over the full life cycle. In addition, we would like to reiterate our strong concerns regarding the circumvention of the conventional duties on ceramic goods through the "allegedly" green goods, currently subject to EGA negotiations. Cerame-Unie will continue to provide the EU institutions with feedback on this matter.

*The European ceramic industry covers a wide range of products including abrasives, bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics and porcelain enamel. The industry generates over 200,000 direct jobs and a production value of €28 billion within the EU.*

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