



## Will the UK move away from European standards?

Since the Brexit referendum the UK has looked set to align itself to European energy standards. But now there are worrying signs that the Government may move away from that policy

**U**K electricity consumption is 18 per cent lower than 15 years ago. Some two-thirds of that drop can be ascribed to implementation of European Union energy-using product policy.

Effectively, this policy is implemented via two distinct, but related, streams of activity. The first sets minimum standards of efficiency for energy-using products, outlawing the worst fuel-wasters from sale. The second ascribes labels to each of those products, ranging from A to G, revealing likely running costs.

Such requirements are currently in place for 28 energy-using product groups. These include domestic products like washing machines and TVs, and business products like power transformers and commercial refrigeration.

For the first three years following the Brexit referendum, every single indication from Theresa May's government was that both of these successful policies would be continued seamlessly even when the UK was no longer formally part of the EU. So UK product policy on energy usage would remain aligned with that in operation right across Europe – likely to remain UK manufacturers' largest single market.

This continuity would have ensured that the energy savings already achieved would remain for future years. And as new products continue to be added to the substantial list of those covered, the expectation had been that UK manufacturers operating in each sector

would continue to make products that, at minimum, always complied with European standards.

It is now becoming clear that this is no longer the policy of the new Johnson-led Government. Initial revelations from respected sources like the Financial Times and the Economist magazine have hinted that the international trade department is informing those in non-European countries that such "environmental" standards could become "more flexible." The EU's chief Brexit negotiator, Michel Barnier, tweeted that this was his understanding too.

Then the BBC's veteran environmental analyst Roger Harrabin revealed that he had been sent a formal statement that effectively confirmed that. Post-Brexit, the UK could adopt very different, if any, minimum standards for energy usage by relevant products. He also revealed that Downing Street zealots were restricting UK officials even from attending formal EU meetings that were considering future initiatives regarding product policy. This diktat is applying even though the UK is still formally a member of the EU.

### Potential ramifications for UK manufacturers

All this has considerable potential ramifications for UK manufacturers of any such products.

Even if the UK were in future to opt to run its own esoteric energy standards, that would still leave UK manufacturers seriously disadvantaged. It would mean that – in order to be able to sell anything into the entire continental European market – such UK-made products would inevitably need to comply with the EU's requirements. The other big difference is that UK-based firms would no longer have any formal say in deciding the detail of all new standards being adopted. Essentially, becoming rule-takers, rather than rule-makers.

As it happens, there is already one example of this absurdity around. Last month the Business Department launched a public consultation concerning another set of proposed product changes. This covers product areas like chargers for mobile phones, monitors and computers – of which 80m are sold in the UK annually. Details can be found by Googling Ecodesign requirements for external power supplies: draft regulation. Responses are due by October 15.

This consultation follows precisely the same procedure as has occurred for every single product category covered under this directive. As usual, it includes a very comprehensive economic impact assessment of the proposal. This demonstrates persuasively that, while there are some gross costs in introducing such minimum standards, taken overall, the benefits that will accrue will be substantial. The benefit cost ratio is 2.3. These gains are financial, providing lower running costs for consumers. And by reducing energy usage, there are very beneficial ecological consequences.

The impact assessment includes two other options. The first follows common practice, to establish whether the same market improvements could be achieved by a voluntary agreement with relevant companies. Earlier consultation with relevant companies across Europe has revealed this to be a non-starter.

But the second alternative option is a distinct Brexit novelty. It explores the pros and cons of not proceeding with this proposal in the UK at all. It states that "the main reason why this option has not been pursued further is that, without regulation, manufacturing decisions and consumer behaviour is likely to be dictated by upfront costs more than energy efficiency".

Effectively, this a succinct restatement of the entire justification for introducing regulation into the marketplace, so as to increase investment levels in energy efficiency.

At the end of October, a big EU consultation forum will be held in Brussels, under this same Eco Design Directive. This time dealing with water pumps. There are, as ever, considerable UK manufacturing interests likely to be affected. As of now, UK government officials will not be attending. Nobody officially will be able to put the case for British businesses. Options exist which could detrimentally affect such interests.

Leaving that empty chair may be portrayed by some as an overt gesture of true Brexit purity. Those operating in the real world might describe it as another pointless gesture that is truly a dereliction of duty by government. And a giant step back from ever achieving net zero carbon. ■

**'If the UK were in future to opt to run its own esoteric energy standards that would disadvantage British manufacturers'**