

Introducing the Ordinance on energy efficiency labelling of household appliances on Croatian market

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Abstract

The legal basis for the transposition of EU appliances labelling legislation in Croatia is the Energy law which Article 13 says: *“All electricity appliances have to be labelled by energy efficiency labels. The contents and design of energy efficiency labels have to be regulated by sub-law document called the Ordinance on Energy Efficiency Labelling of Households Appliances”*. On 17th November 2005 the Ordinance on Energy Efficiency Labelling of Household Appliances entered into force (transition period until 1st May 2006) (1). It is based on the Framework Directive 92/75/EEC and implementing Directives 94/2/EC, 95/12/EC, etc for the following appliances: refrigerators and freezers; washing machines; tumble driers; washing/drying machines; dishwashers; electrical ovens; electrical lamps; air-conditioners. Before 1st May 2006, in the majority of larger retail stores in Croatia, the energy efficiency labels were present on strictly voluntary basis. Such labels could be found mainly on refrigerators and freezers, washing machines, dryers and dishwashers. Recently, air-conditioners were also very often equipped with labels. These labels were correctly translated in Croatian, although text does not completely match the label defined in the Ordinance on Energy Efficiency Labelling of Household Appliances. Although such labels are not recognized as the appropriate labelling according the Ordinance, they do provide some practical basis for the implementation itself. Since 1st May 2006, although the Ordinance has been fully adopted, there are no valid Croatian labels attached on all displayed appliances in a number of HA stores. Aiming at household appliances

market transformation in Croatia, it is very important at the moment to find the best ways for the Ordinance verification and enforcement.

Introduction

One of the most important moments for Croatian energy sector is an acceptance by the Croatian Parliament in July, 2001 of the following laws:

- Energy Law,
- Law on Regulation of Energy Activities,
- Law on Electricity Market,
- Law on Gas Market,
- Law on Oil and Oil Derivates Market.

Based on Croatian Energy Law and relevant EU legislation (Framework Directive 92/75/EEC and implementing Directives 94/2/EC, 95/12/EC, etc), Ordinance on Energy Efficiency Labelling of Household Appliances entered into force on 17th November 2005 with transition period for full adaptation until 1st May 2006.

CROATIAN HOUSEHOLD APPLIANCES MARKET**Table 1. Lists of the most significant HA market players in Croatia in 2005 (2)**

Manufacturers and importers (with 5% or more share on the market):	Wholesalers and retailers
Končar –Household Appliances	KONČAR
BOSCH	BRODOMERKUR
CANDY	ELEKTROPROMET
ELECTROLUX	ECOS TRGOVINA
GORENJE	E plus
INDESIT	EUROPATRADE
LG	ELEKTROMATERIJAL
WHIRPOOL	ELIPSO
ZANUSSI	GORENJE
ARISTON	IZZI komerc
Miele	KONIKOM
QUATRO	KRALJ Appliances Shopping Centar
	SPARTAK
	MERCATONE
	Electron
	Frigo &CO
	GETRO
	METRO
	PEVEC
	Robot Commerce
	Merkur international
	Electron

Table 2. The total number of wholesalers and retailers stores in the whole area of country (2)

Wholesalers and retailers	Total number of stores
KONČAR	12
BRODOMERKUR	52
ELEKTROPROMET	33
ECOS TRGOVINA	33
E plus	37
EUROPATRADE	61
ELEKTROMATERIJAL - Euronics	59
ELIPSO	7
GORENJE	12
IZZI komerc	10
KONIKOM	17
KRALJ Appliances Shopping Centar	6

Table 3. The total number of importers of different type of appliances on Croatian market in year 2004 (3)

Type of Appliances	Total number of importers	List of the most imported brands
Refrigerators & freezers	147	Gorenje, Electrolux, Konikom (Ariston, Indesit), Whirlpool
Washing machines	97	Gorenje, Electrolux, Konikom
Dishwashers	105	Gorenje, Electrolux, Konikom, Whirlpool
Electrical Ovens	47	Gorenje, Electrolux, Whirlpool
Air Conditioners	85	LG, ECOS, Europatrade

LEVEL OF THE APPLIANCES PENETRATION IN CROATIAN HOUSEHOLDS

According to the GfK Croatia survey that was conducted for 1 000 households in September 2005, generally speaking Croatian families are well equipped with most of household appliances (4).

On saturation level are:

- colour TV, radio (95 %)
- washing machines (98 %)
- refrigerators (100 %)
- fixed telephone (90 %)

The level of other appliances penetration in Croatian households is as follows:

- mobile phone (85 % households have at least 1 mobile)
- video recorder (69 %)
- casetophone (79 %), hi-fi (61 %), CD player/discman (42 %)
- DVD player (41 %)
- PC / laptop / notebook (48 %)
- internet connection (35 %)
- printer (27 %)
- satellite dish (36 %), cable TV (16 %)
- microwave (34 %)
- dishwasher (29 %)
- air conditioner (23 %)
- tumble drier (5 %)
- video camera (10 %)
- electrical oven (94 %)

UNDP/GEF PDF B PROJECT: PROGRAMME OF CAPACITY-BUILDING FOR THE REMOVAL OF BARRIERS TO THE COST-EFFECTIVE DEVELOPMENT AND IMPLEMENTATION OF ENERGY EFFICIENCY STANDARDS AND LABELLING IN EU CANDIDATE COUNTRIES (S&L EUCC)

UNDP/GEF PDF B PROJECT: Programme of Capacity-Building for the Removal of Barriers to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labelling in EU Candidate Countries (S&L EUCC) had been started in 2005 as a preparatory, regional project, financed by Global Environmental Fund. Croatia, Bulgaria and Romania have been included from the beginning and Turkey later entered the project. The main objective of the project is to help each country to meet EU accession requirements regarding the harmonization of national energy efficiency labelling legislation and standards for household appliances with relevant EU regulation, as well as to establish efficient mechanisms for public awareness on relevant issues. Ministry of economy, labour and entrepreneurship is the national project director and Energy institute Hrvoje Požar plays a role of national project manager.

As a part of project, different market analyses and researches as well as public opinions surveys had been carried through.

The following graphs show data collected by GfK Croatia in 2005 regarding market shares by brands and energy classes for refrigerators and freezers.

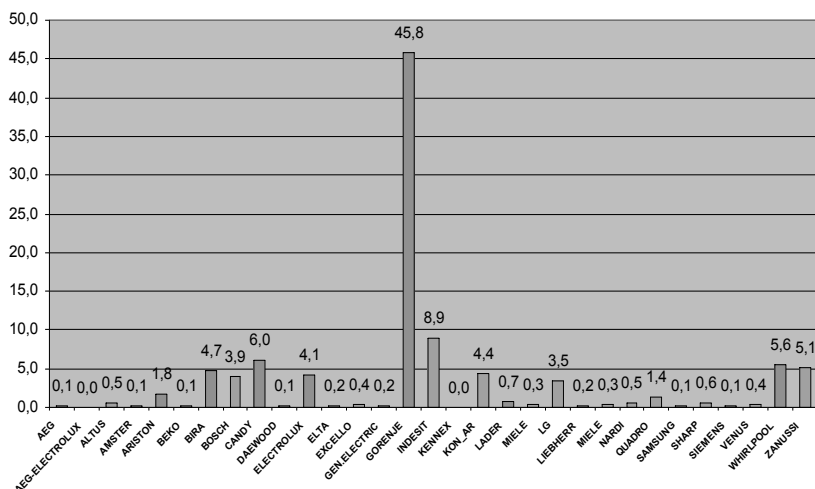


Figure 1. Refrigerators – market share by brands

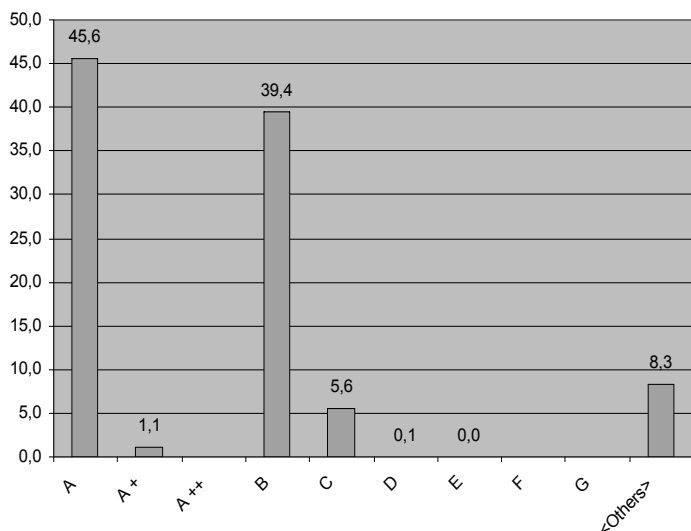


Figure 2. Refrigerators – market share by energy class

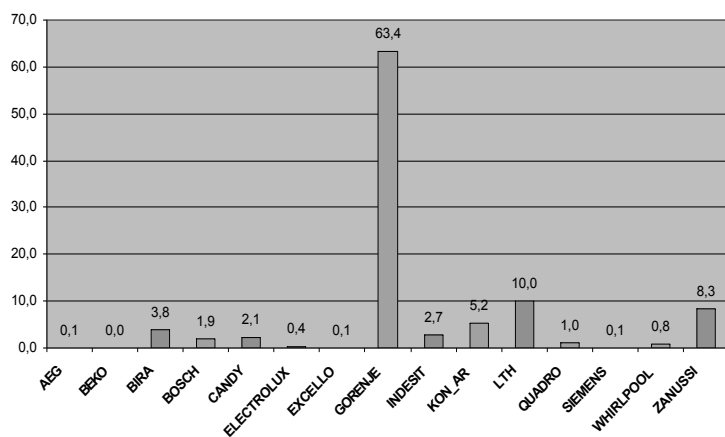


Figure 3. Freezers – market share by brands

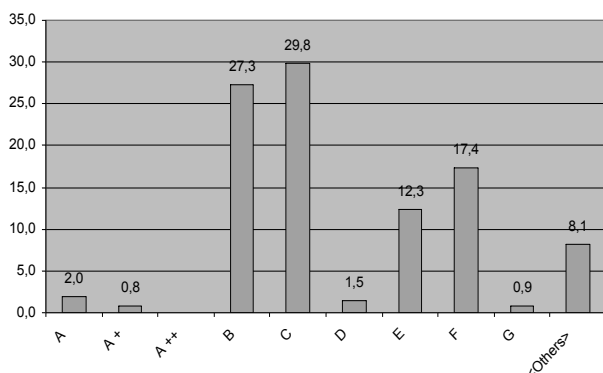


Figure 4. Freezers – market share by energy class

Conclusions

Regarding the fact that the Ordinance on energy efficiency labelling for household appliances has been fully adopted on 1st May 2006, the most important things at the moment are public awareness and how to find the most cost-effective measures in the process of implementation, verification and enforcement of energy efficiency labelling in Croatia as an EU candidate country.

One of the successful ways to reach above mentioned objectives is the continuation of UNDP/GEF PDF B PROJECT: Programme of Capacity-Building for the Removal of Barriers to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labelling in EU Candidate Countries (S&L EUCC).

Generally speaking, the importance of energy efficiency, of energy classes and labelling is not yet recognized in Croatia. An average Croatian HA consumer is much more interested in price and payment conditions (instalment rates, reductions, etc.) than in energy consumption. Some of the main reasons are that electricity price for households is relatively low (strong social component) and difference of price for A and B energy class of HA is considerable at the moment (average A+ refrigerator is cca 430 Euros and B refrigerator is cca 360 Euros). Furthermore, in most cases shop assistants are not familiar with energy labels and are not able to give correct information to customers. HA purchases via Internet are not yet developed in Croatia (there are 35 % of Internet users among inhabitants of 15+ years, but HA are not among products that average Croatian consumer orders via Internet.)

A very wide range of HA producers and their brands is represented in 663 Croatian HA stores and it is not a problem to find high quality energy efficient household appliances.

References

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- (4) Vlasta Kroflin Fisher, GfK Croatia, Households Survey, December 2005