



# POSITION PAPER DEPOSIT ON ELECTRONICS

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## SUMMARY

*The NVMP Association is opposed to the introduction of a deposit system for electronic goods. A deposit system is an expensive, roundabout and ineffective method of changing consumer behaviour. Introducing a deposit system would neither improve the responsible processing of e-waste nor benefit the environment.*

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### **Deposit money is dead money**

Because the life cycle of electrical equipment is long, as opposed to that of bottles, for example, its submission for recycling is not an ingrained habit. The amount of the deposit required to change consumers' behaviour would be substantial. For the tens of millions of appliances and lamps sold annually, the money involved would quickly reach a total of €100 to 200 million per year, and ultimately €1 billion in what would essentially be 'dead' money.

### **A deposit system is expensive**

Levying and refunding deposits requires careful administration and control. This involves not just the buyers – consumers and companies – but also municipal civic amenity sites, installers, charity shops and the nearly 20,000 retail shops that sell electronics and lamps. All these parties would have to participate in the administrative and financial processes for the deposit system. They would also have to protect the discarded products from theft, because the deposit lends the products value.

### **Deposits form a barrier in the European market**

Manufacturers would have to make their appliances identifiable as specific to the Dutch market. This conflicts with the practice of manufacturing electronics for the entire European market to the extent possible, without country-specific identifying marks or specifications. One problem is that member-state-related identification would lead to inefficiency and considerably higher production costs due to a loss of economies of scale. Another is that a deposit system and the associated identification would form a barrier in the European free market.

### **A deposit system is susceptible to fraud**

As long as identification, administration and control are imperfect, a deposit system would elicit fraud. All the more so because substantial amounts of money are involved for electrical and electronic equipment. It is likely that the system would even draw used goods from surrounding countries that do not have a deposit system for electronics. That would be disruptive to the situation in the Netherlands, while the impact on the environment would, on balance, be negative due to the additional transport movements.

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### **A deposit system is unnecessary**

The Netherlands has a national collection system that allows electric appliances to be processed in a sustainable manner by certified recycling companies. Electrical appliances are even passed on to processors by junk dealers. The vast majority of the larger appliances now already reach the correct processing path. A deposit system is an unnecessarily expensive and roundabout manner to achieve further behavioural change: instruction and campaigns are a much more efficient approach, both in terms of effort and expense.

### **Deposit systems do not work**

As opposed to the situation for drink packaging, for example, the life cycle of electronics is very low, as a result of which consumers are not in the habit of submitting such items for recycling. Moreover, the presence of these appliances in the home is often not objectionable, as is the case for empty bottles. A deposit system simply does not work for items with a low disposal frequency.

### **Deposit systems are misleading**

A deposit creates the false impression that the collection and processing of appliances has been paid for, yet the deposit does not pay for anything. For those appliances for which no deposit is required people would be led to think (incorrectly) that the appliance in question does not have to be submitted separately for recycling. In both cases the deposit sends the wrong message.

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### **About the NVMP Association**

*The NVMP Association was established in 1999 and represents 1500 manufacturers and importers of electrical equipment and low-energy lighting in the Netherlands. These manufacturers and importers have established the first national system in the world for the responsible collection and sustainable processing of electrical appliances and low-energy lighting. The implementation thereof has been entrusted to the non-profit organisation Wecycle.*

### **For more information**

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