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Lighting the Way – the Future of the European Lighting Industry

1. Introductory Remarks

More than 100 years after the invention of electric light, the lighting industry in Europe is undergoing unprecedented change. The shift to LED technology not only provides a highly energy efficient lighting technology, but it also enhances the possibilities lighting offers to consumers, designers and the environment.

The European lighting industry has always been at the forefront of innovation. Still today Europe is the leading region when it comes to technological development and scientific research related to light in its different applications. For example, the lighting industry is also driving renovations in the European building sector and requiring a highly skilled labor force for this growth.

LightingEurope represents 17 national lighting associations and currently 14 lighting companies. The sector is driven by high innovation potential, accounts for an estimated €20 billion turnover, and represents over 100,000 jobs in Europe. The lighting industry in Europe is and always has been a sector that is SME driven when it comes to the production of luminaires and of high value products. This SME culture within the industry is the most crucial precondition to provide the market with highly decorative, innovative, and sustainable products.

2. A firm contributor to achieve energy efficiency in Europe

Lighting accounts for approximately 14% of the electrical energy used in Europe and 19% globally. Significant improvements on the energy performance of lighting have been achieved already, as light sources are now fully regulated by the European Ecodesign legislation, setting minimum performance requirements for all product groups. The European lighting industry has actively and trustfully accompanied the respective legislative initiatives, proposed by the European Commission and adopted by the Member States, and recognizes fully their positive impact on making the member states of the European community carbon neutral.

The European policy concept of phasing out inefficient lighting products has proven to be successful. In 2011 the European lighting industry sold for the first time more energy efficient products than less efficient products – this is a clear success of European legislation in the field of Ecodesign and a role model for other sectors that a shift towards more energy efficient products is possible.

Next to such legislative measures, it is necessary to increase initiatives that aim at stimulating the market for energy efficient products, systems, and services. As reported in the 2011 McKinsey & Company report, *Lighting the Way: Perspectives on the global lighting market*, the investment in energy efficiency is much more effective and efficient than an investment in renewable energies. The European lighting industry is convinced that predominately Green Public Procurement as well as adequate financial incentives for building renovation has a key role in concretely implementing energy efficiency in Europe. The European Commission has already embarked on a number of initiatives to achieve this goal and it has to be secured that initiatives such as Renovate Europe are leading the way towards concrete policy and legislative measures. It is evident in this context

that the European Commission is called upon to ensure the proper implementation of the Energy Efficiency directive and the Energy Performance in Buildings Directive in all EU Member States.

It is crucial to point out unmistakably that the European lighting industry is dedicated to remain a strong ally of the European Commission's efforts to further increase energy efficiency. The approach to develop mid and long term strategies in this context finds our full support. The recently published Green Paper on setting out the framework for climate and energy policies by 2030 is an important step in this direction. LightingEurope is studying the Green Paper very attentively and is engaged in the consultation process. What we can state at this stage is that binding efficiency targets are the way to go and the lighting industry will support this policy.

3. Thinking Beyond – new approaches towards light

We would fall short of the highly innovative approach light can offer to the European society if we limited ourselves to judge lighting from an energy efficiency perspective only.

Especially given the socio-economic challenges Europe is already facing, and will increasingly face in the future, European policy makers are called upon to foster a policy of phasing in new and innovative products, systems, and services to the European lighting market.

Europe is facing a challenge regarding its future demographic development as it will become an ageing society. The impact of this development is noticeable today and requires courageous, tangible and implementable policy measures both on an EU and Member State level. Albeit possibly not visible on first sight, the European lighting industry has the potential and expertise to accompany political initiatives that are to be taken to cope with these challenges and translate them into opportunities.

Recent research has proven that the non-visual spectrum of artificial light has a positive impact on human health and well-being and can influence the human circadian rhythm. For example, initial data shows positive improvements for elderly persons with dementia who receive customized light solutions in their nursing homes. With an ageing society in our future, the potential impact of this cannot be underestimated. More research in this area is needed to fully understand this subject and to build a thorough scientific basis in order to enable the European industry to enhance its role as technical leader in a global environment in this field.

We trust that the European Commission will adequately include the sector of lighting as a biological factor in its research agenda under the HORIZON 2020 program and will continue to support the implementation of the findings in the EU Green Paper Lighting the Future. It is to be pointed out specifically that SMEs play a pivotal role in the implementation of the Green Paper and LightingEurope is trustful that the Commission's policy on "thinking SME first" will also be an integral part in developing accompanying initiatives to enhance the competitiveness of the European lighting industry.

4. From Products to Systems – Smart Lighting for our Society

As pointed out above, the new LED technology will change not only the perception towards light but it is fundamentally changing the lighting industry. Mere production of lighting products will not enhance the competitiveness of the industry. The European lighting industry is taking up this challenge and provides the market with integrated systems and services. Intelligent lighting systems will not only reduce energy consumption by another 40% but will also allow for the integration of lighting in smart buildings. Intelligent systems also require an experienced labor force which can contribute to European job growth.

It is important that the legislative activity of the EU takes this technology shift into account and develops in parallel from a product performance based approach to a systems based approach.

Besides legislative measures that set minimum performance criteria for lighting systems it is important to foster additional research related to intelligent lighting systems. This will ensure that the European lighting industry maintains its leading role during the next phase of the switch to LED lighting: the digitalization of light.

Moreover, it is necessary to foster market information and market surveillance in order to enable customers to make an informed purchasing choice and to accelerate the take-up of high quality products, systems, and services in the European market.

5. The Way Forward

The lighting industry in Europe is at the forefront of innovation and is looking forward to continuing the successful co-operation with all stakeholders to maintain Europe as a light house when it comes to energy efficient and high quality lighting in all applications.

The European lighting industry is privileged to offer its support to the European Commission in order to achieve the following objectives necessary for better light in Europe:

- Maintain consumers choice of energy efficient lighting products
- Develop product related legislation into system related legislation to enhance energy efficient solutions
- Enable SMEs to be an integral and valuable part of new lighting value chains
- Close research gaps to provide a basis for the enhanced inclusion of the non-visual spectrum of light in future applications to improve comfort, work efficiency, and health
- Foster the leading role of the European industry in the next phase of digitalization of light
- Adopt binding energy efficiency targets for the EU