



An Bille um Chosc ar Tháirgí Nua a Dhumpáil, 2022
Ban on Dumping New Products Bill 2022

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Explanatory Memorandum



AN BILLE UM CHOSC AR THÁIRGÍ NUA A DHUMPÁIL, 2022 BAN ON DUMPING NEW PRODUCTS BILL 2022

EXPLANATORY MEMORANDUM

Purpose of Bill

We need to move to a circular economy because our planet has finite resources, and we cannot continue to waste them in a take-make-waste business model.

Circular economy policy measures have tended to focus on getting the individual to reduce consumption. However, some business models are inherently unsustainable, regardless of the individual actions that a consumer might take.

Large companies, especially certain online retailers, have been exposed for practices of dumping brand new products which went unsold. These have included smart televisions, laptops, iPads, leisure equipment, electrical items, fans, hair dryers and Bluetooth earphones. One exposé in Britain, showed that 124,000 items were marked for destruction in a single week by a large online retailer.

Some of the main motivations reported for the destruction of unsold goods are:

- Retaining brand image and prices
 - The high-end brands could have concerns that selling the products at low prices and by unaffiliated retailers, would affect exclusivity and brand image. For example, Cartier reportedly bought back and destroyed over €470 million of watches in two years to prevent them being sold at low prices.
- Cost reasons related to reprocessing, rebranding
 - Brands reason that the donation of goods is more expensive than incineration. Costs can arise from long term storage. It can be more lucrative to destroy them and restock the warehouses with new lines than to resell or donate the old stock.
- Overproduction
 - Overproduction is economically advantageous. In some industries such as fast fashion, clothing stocks may not match demand and remain unsold. Their destruction is a cost-effective way for removing unwanted stocks.

These business models are not sustainable and severely contradict the goals of the circular economy.

The destruction of unsold goods causes resource consumption from production, affiliated CO2 emissions and emissions of hazardous substances

negative environmental impacts due to waste treatment of products whose actual use potential has never been realised. These negative consequences are borne by society and the environment. For the businesses to change, they must be forced to bear the full costs of their business practices.

France has already outlawed such practices.

Provisions of Bill

Section 1(1) sets out who the ban on dumping shall apply to producers, importers and distributors of new non-food products intended for sale. It forbids dumping new non-food products intended for sale which go unsold. It places an obligation to reuse the products by social enterprises such as second-hand shops, charities or NGOs. The minister is empowered to define which social enterprises qualify in regulation.

Section 1(2) empowers the minister to set out in regulation to which products the provisions of *section 1(1)* shall apply. The product categories shall include electronics, textiles, furniture, ink cartridges, hygiene products, food preservation and cooking equipment, leisure products, and books and school equipment.

Section 1(3) excludes certain products from the obligations of *section 1(1)*, whose reuse would involve serious risks to health and safety.

Section 1(4)(a) makes the disposal of new non-food products an offence, and *paragraph (b)* makes it an offence to deliberately destroy new non-food products in order to circumvent *paragraph (a)*.

Section 2 sets out the title and the date of commencement.

Senators Lynn Boylan, Niall Ó Donnghaile, Paul Gavan, Fintan Warfield, Deireadh Fómhair, 2022.