



The EU Plastics Agenda

Alexandre Dangis, EuPC Managing Director

CIPAD meeting

London 11th November 2019



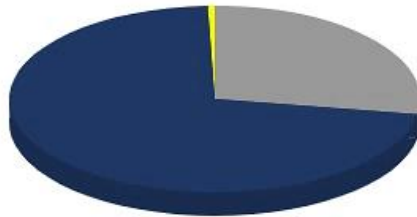
- EuPC & the CPA
- Single Use Plastics (SUP) Directive update
- The EU Plastics Brexit tax
- The MORE digital platform on recycled plastics used in EU products
- Conclusions & key messages

Plastics Converters at the heart of the EU plastics industry



Turnover in the Plastics Industry

€ 2 Billion: 0.55% € 100 Billion: 27.62%



€ 260 Billion: 71.82%

- Plastics Manufacturers
- Plastics Converters
- Plastics Recyclers

Employees in the Plastics Industry

30,000: 1.69% 140,000: 7.91%



1,600,000: 90.40%

- Plastics Manufacturers
- Plastics Converters
- Plastics Recyclers

Companies in the Plastics Industry

1,000: 1.89% 2,000: 3.77%



50,000: 94.34%

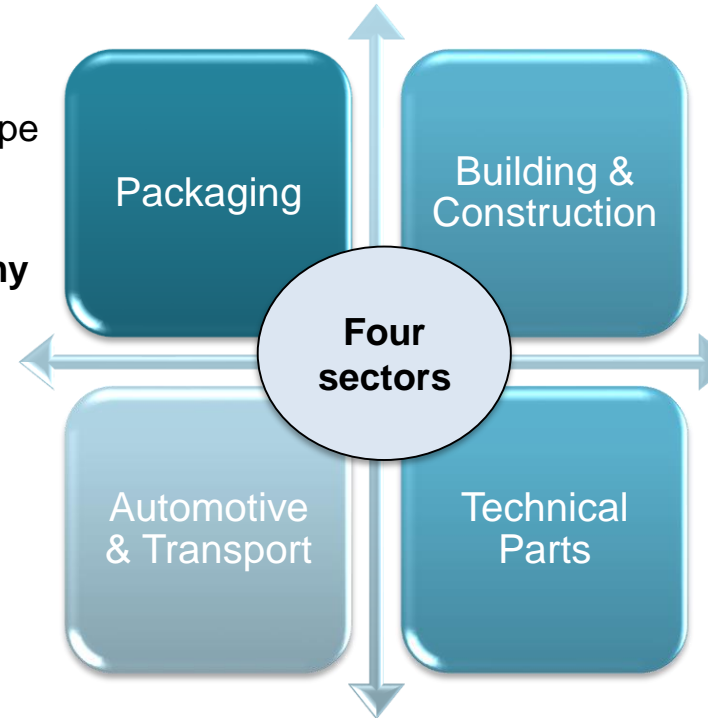
- Plastics Manufacturers
- Plastics Converters
- Plastics Recyclers



EuPC is the **professional representative body** of plastics converters in Europe

- **46 European Plastics Converting** national and European industry **associations**
- **50,000** companies
- **60 millions tonnes** of plastic converted annually in Europe

EuPC is working together with all relevant stakeholders to **ensure the best possible progress of the circular economy**





- On the 11th December 2018, during the event “*The EU Plastics Industries – Towards Circularity*” the Deputy Director General of DG GROWTH Antti Peltomäki announced the launch of the **Circular Plastics Alliance**, which will pursue the key European objectives of ensuring an effective transition towards more circular plastics and containing the issue of the growing littering in the environment. During the meeting, organizations of stakeholders from the entire plastic value chain presented the status of their voluntary commitments and pledges to media, NGOs and representative of the European Commission.
- The Circular Plastics Alliance gathers key stakeholders in the **plastics sector that are willing to voluntarily undertake new actions in order to boost the use of recycled plastics in the industry**, moving towards a common long-term goal: ensure that, by 2025, the use of recycled plastic reaches 10 million tons.

High-Level Kick-off meeting 5th February 2019



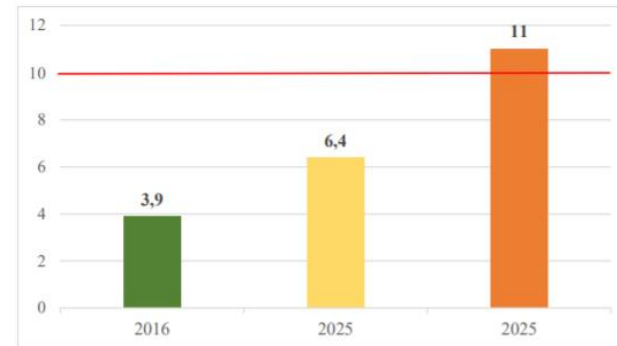
All the participants agreed upon the **achievability of the 10 million tonnes target to be reached by 2025**. Notwithstanding the undeniable commitment showed by all the key stakeholders taking part in the Alliance, it has been stressed in many quarters that the public authorities should also help the industry implement their actions and ambitions by providing **clear and consistent framework conditions** across the EU.

On the other hand, the industry should commit to establishing a **reliable monitoring system** to be used as a fundamental mean to track the progress towards the common objectives and endure **trust among the stakeholders**.

Circular Economy Package & Plastics Strategy

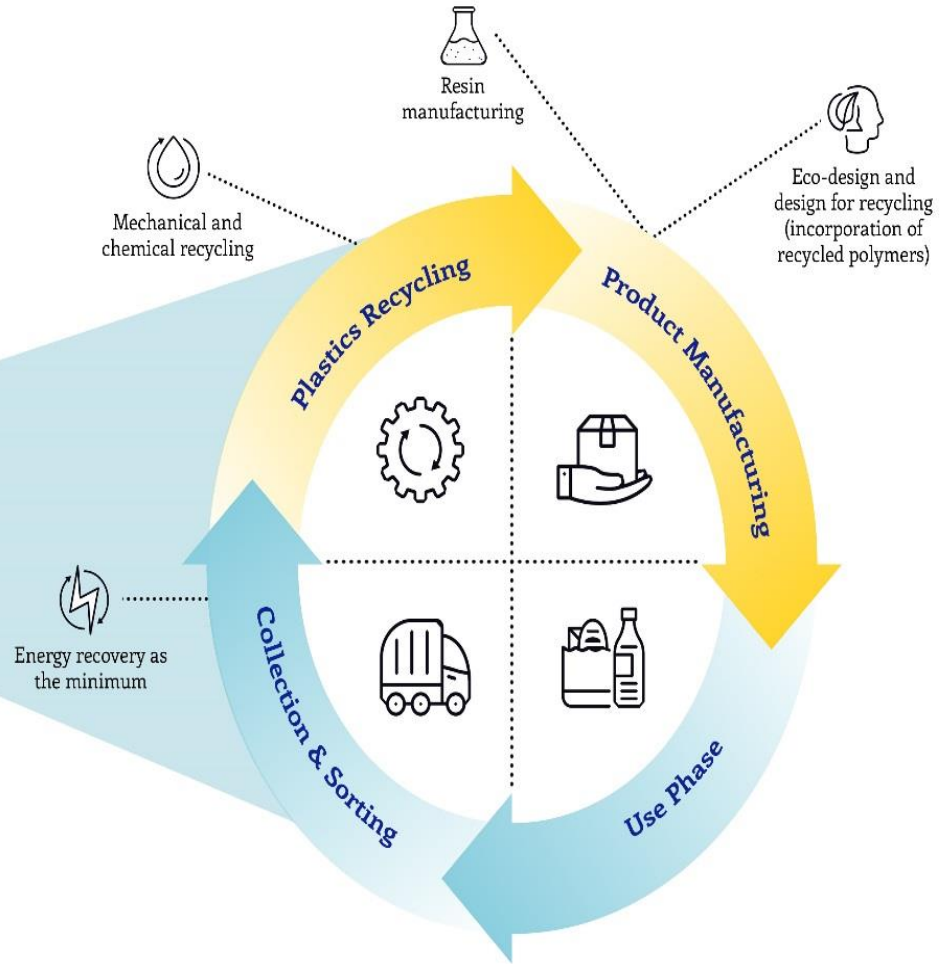
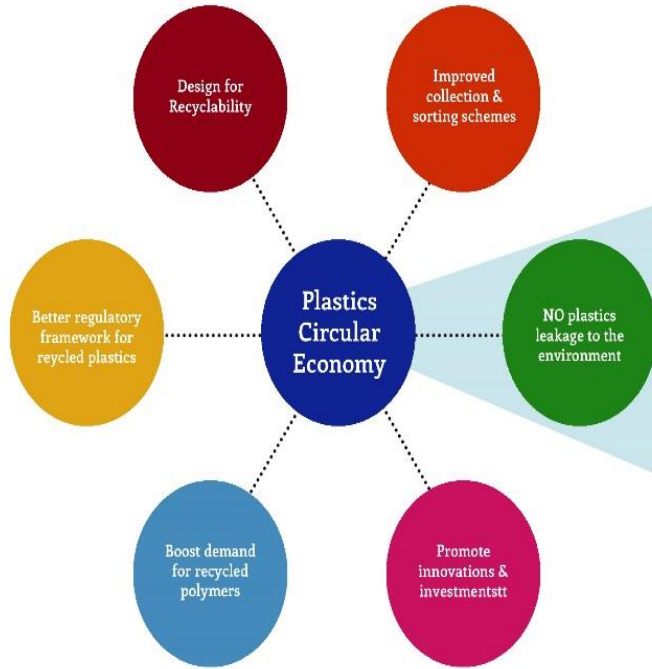


- Annex III – Pledge campaign > Circular Plastics Alliance
 - To reach voluntarily **10 million of recyclates by 2025**
 - Until end 2018, 70 pledgers with a view to reach this goal (11 mio suppliers Vs 6,4 mio demand side)
 - Signature of the CPA Declaration on September 20th, focusing on:
 - Recycled content
 - Design for recycling
 - Collection & Sorting
 - R&D, including Chemical Recycling
 - Monitoring

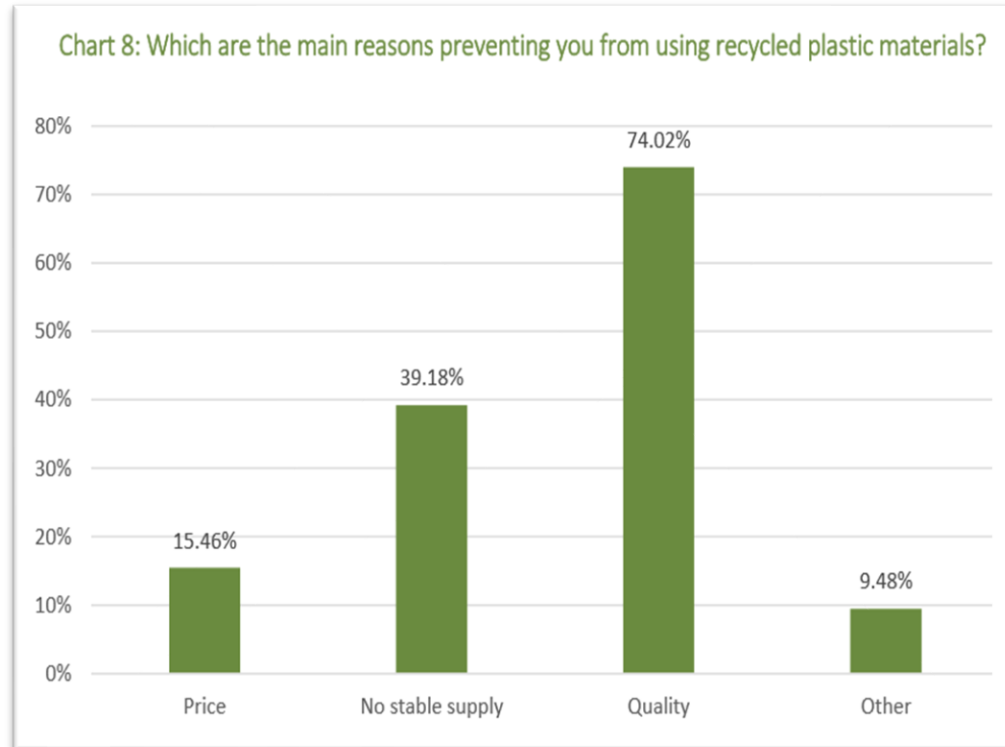


What next?





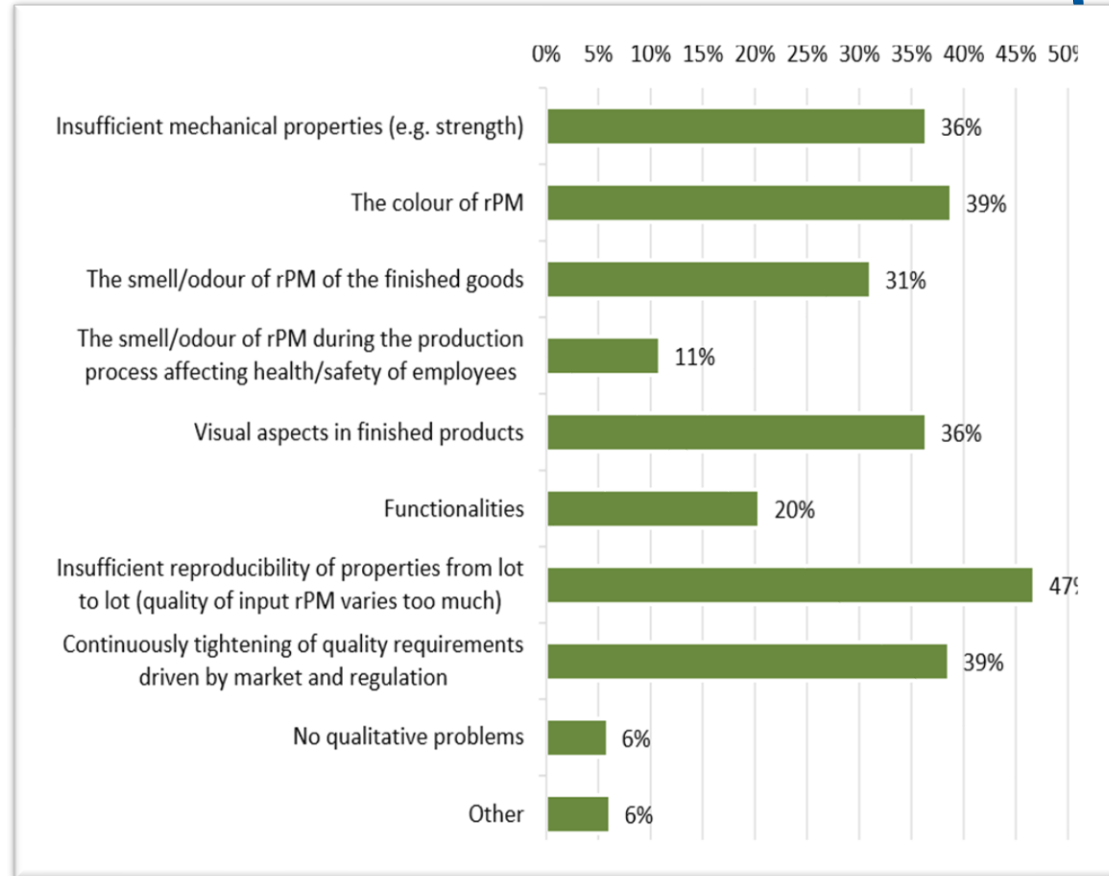
- **Quality and steadiness of the supply** show to be equally strong barriers to the use of **rPM** for plastics converting companies. The **results of the EuPC study** draw a negative image of the supply situation in Europe, as **the majority of participants finds it hard or very hard to find a satisfactory supply of rPM.**



Existing limits to the uptake of recyclates



- To overcome this hurdle, an **effort of the entire value chain** is needed. Brand owners need to **redefine the use of rPM despite possible esthetical implications**, and their **marketing departments** need to adjust.



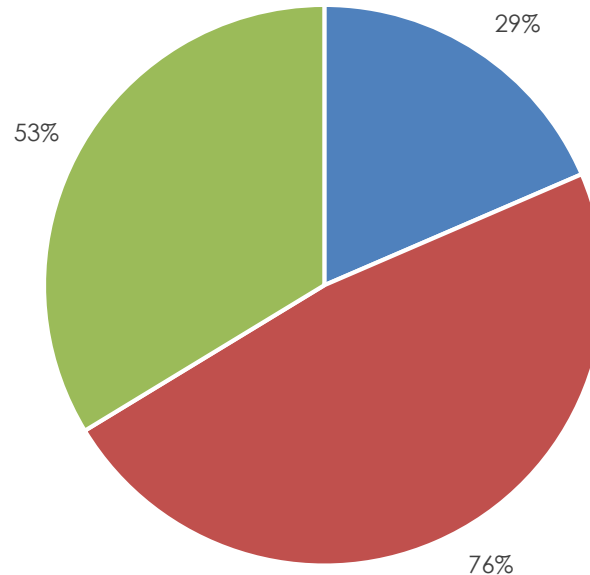
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How to improve the quality of recyclates?



The improvement of the quality of the recyclates represents a priority in order to achieve the recycling targets set by the Plastics Strategy. According to the industry stakeholders, this can be achieved through specific means:

- 1) Implement better design for recycling of plastic products.
- 2) Improve the collection and sorting of plastics waste.
- 3) Investments in better technologies by plastics recyclers.

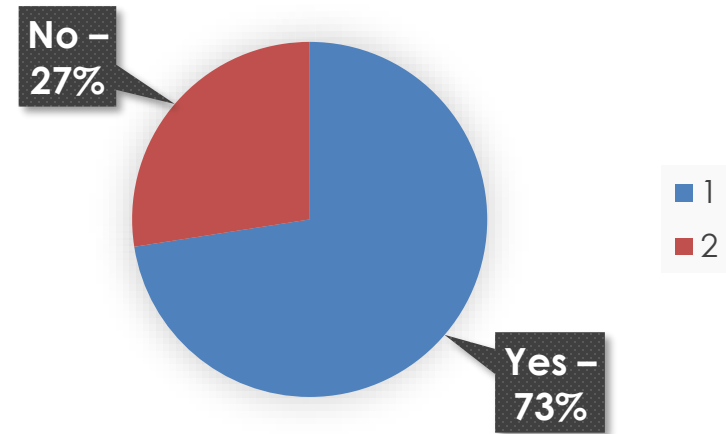
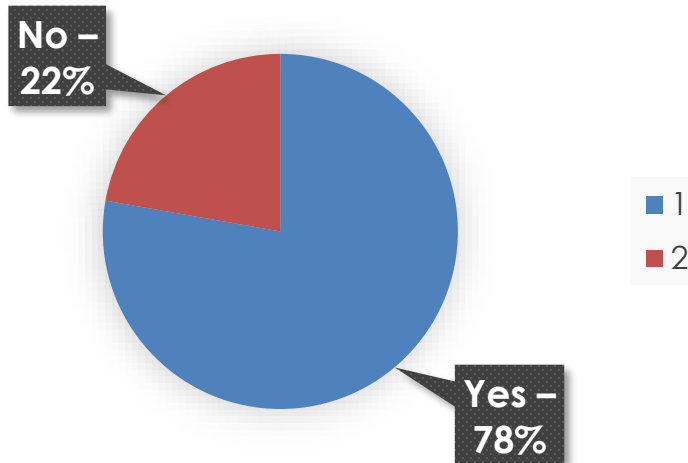


2nd Survey on the Use of rPM: Results



(3rd Survey NOW OPEN)

- Would you be willing to join technical projects/workshops to improve the quality of rPM or boost their usage?
- Would you be willing to report in a strictly confidential way and on a regular basis about your use of rPM, to demonstrate the industry's efforts to legislators?



- The Directive foresees many deadlines that somehow are totally coordinated with the implementation deadline for MS (first to come, not exhaustive list):

A large red arrow with a black outline points from the left margin towards the text below.

By July 2020: EU Commission develops implementation act for harmonized market rules

- By July 2020: EU Commission develops implementation requirements for the calculation and testing of the targets of the Separate Collection (separate collection)
- Until 2021: Deadline of implementation phase for product bans
- By the end of 2021 / beginning of 2022: EU Commission develops implementation requirements for the methodology for calculating and testing consumer reduction measures
- Until 1 January 2022: EU Commission develops rules for the calculation and proof of the 25% recycled content target for PET bottles
- Until 2022: EU Commission develops guidelines to further specify the definitions of single plastic products

Directive on Single Use Plastics



The text is currently being analysed in view of the Guidance on the definitions by June 2020, in particular when it comes to:

- **Plastics:** *single use means a product that is made wholly or partly from plastic and that is not conceived, designed or placed on the market to accomplish, within its life span, multiple trips or rotations by being returned to a producer for refill or re-used for the same purpose for which it was conceived*
- **Consumption reduction: food containers & cups for beverage**
 - Food containers: receptacles such as boxes, with or without a cover, used to contain food that:
 - *is intended for immediate consumption either on-the-spot or take-away,*
 - *is typically consumed from the receptacle and*
 - *is ready to be consumed without any further preparation, such as cooking, boiling or heating,*
 - *including food containers used for fast food or other meal ready for immediate consumption*

The survey is divided into parts: on (1) definitions and (2) marking systems.
For part 1, questions cover:

- Natural polymer
- Not chemically modified
- Products made from oxo-degradable plastic
- **Main structural component (paper in or not)**
- Difference between single use and multiple use
- Scope of this Directive and PPWD: is the difference clear?
- **Food container (ready to be consumed...), beverage container, caps & lids, cups for beverage, cutlery...: clear meaning?**
- Tendency to become litter: how should it be considered?
- **Difference between:**
 - food containers & beverage containers,
 - beverage bottles & beverage containers,
 - Packets & wrappers

Directive on Single Use Plastics – follow up



- The Commission (DG ENV) has started to work on the definitions
- Ramboll, with the support of Deloitte, Prognos, IEEP and Wood, is the leading consultant:
 - Two stakeholder consultations and two workshops: a first consultation has been relaunched on **Friday 20th until October 4th** (!) highly technical and specific
 - And first workshop was on October 18th
 - Important to clarify the specific definitions, in particular the “*main structural component*”
 - Still possible to comment and send your views
 - Many different views and **competition from other materials**, discussions linked with the Revision of the Essential Requirements of the Packaging Directive (by Eunomia) -> which also will affect the announced Guidance on ecomodulation of EPR fees

- Many Member States have started to **over-**implement the Directive or indirectly implement it:
 - **Wallonia** (BE): currently on hold until 2020
 - France: complaint letter with fellow associations
 - United Kingdom: Plastic straws, drink stirrers and cotton buds as from April 2022
 - Italy: many initiatives at municipal and regional level (no plastics in school and public premises)
 - **Galicia**: single-use plastic glasses, cups and food trays which do not fall within the scope of Directive 94/62/EC on packaging and packaging waste and which are not comprised of 50% biodegradable material, rising to 60% from 2025 and, from 2030, those which are not wholly biodegradable.
 - Austria: to use reusable containers, crockery and cutlery at certain events with more than 1000 people; packaging, containers, dishes and cutlery made of renewable raw materials (e.g. cardboard or wood) shall be used.

Still draft proposals



- **EU Plastics Strategy page 11+ (footnote 41) January 2018**

The Commission will explore the feasibility to introducing measures of a fiscal nature at the EU level

- **Footnote 41**

« The modalities of such a potential fee would have to be decided on the basis of the assesment of its contribution towards meeting the strategy goals. On top of that, in the context of the preparation of the post-2020 Multiannual Financial Framework, it could be considered as one of potential options to generate revenues for the EU budget »

EU Wide Plastics tax options on the table in March 2018...



- Taxing the oil products used as an input for plastic production
- Taxing plastic as a raw material
- Retail plastic tax
- Taxing undertakings managing EPR schemes
- **Own resource calculated on the basis of plastic packaging waste (not recycled)** collected by members states and a Commission recommendation for a plastic tax

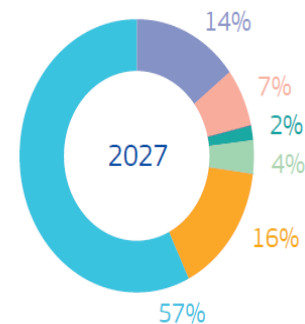
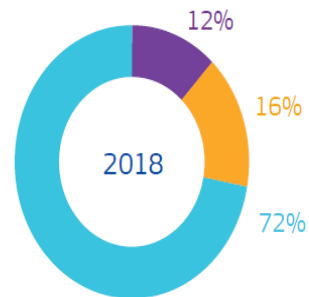
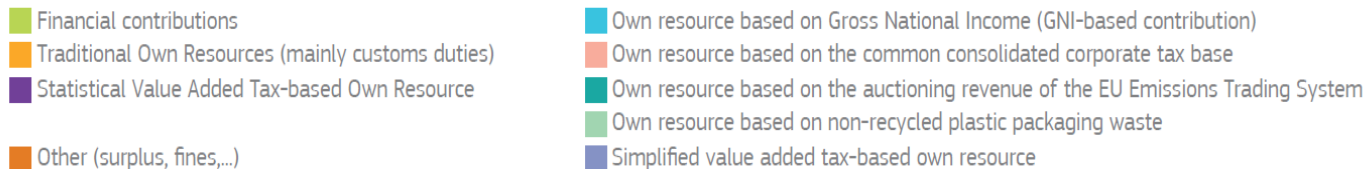
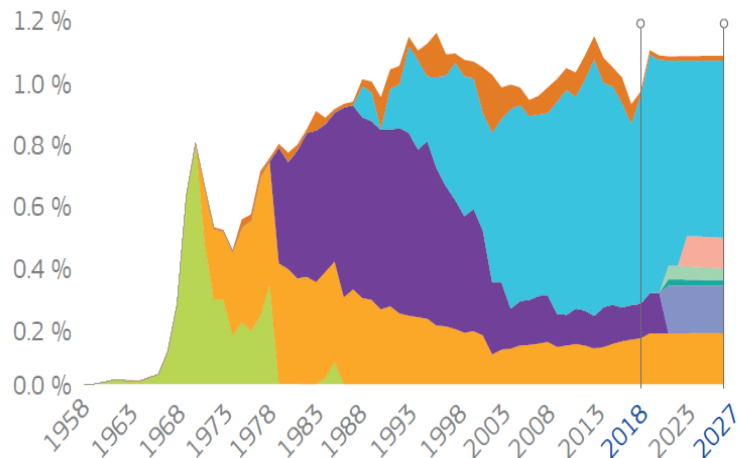
**Estimated EU revenues around 7 Billion €
to contribute to the EU budget as of 2021**

The EU Plastics Brexit tax - today



Evolution of the revenue sources of the EU budget

% of GNI





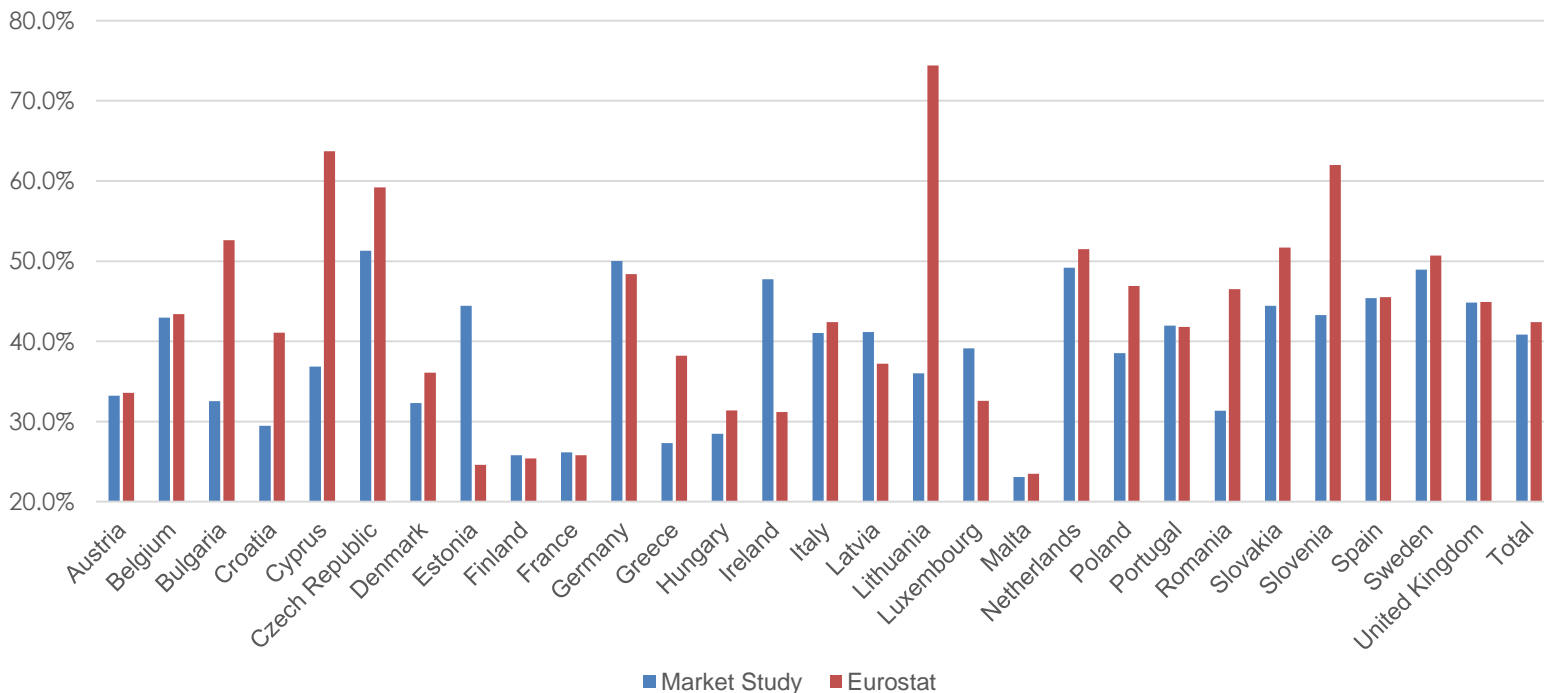
- Proposal of a tax on the **volume of unrecycled plastic packaging** to cover the loss of income caused by the Brexit.
- **0.8€ per KG** of unrecycled plastic packaging waste to be paid by member states to EU.
- Multiple problems:
 - How to collect the data?
 - How to calculate the recycling rate?
 - Which definition of recycling to use? Input versus output ?
 - Lobby for EU Commission on EU MSs is strong
 - Italy sets a tax on all plastics packaging of 1€/kg

EU Plastics Brexit Tax



- Eurostat numbers chronically inaccurate.

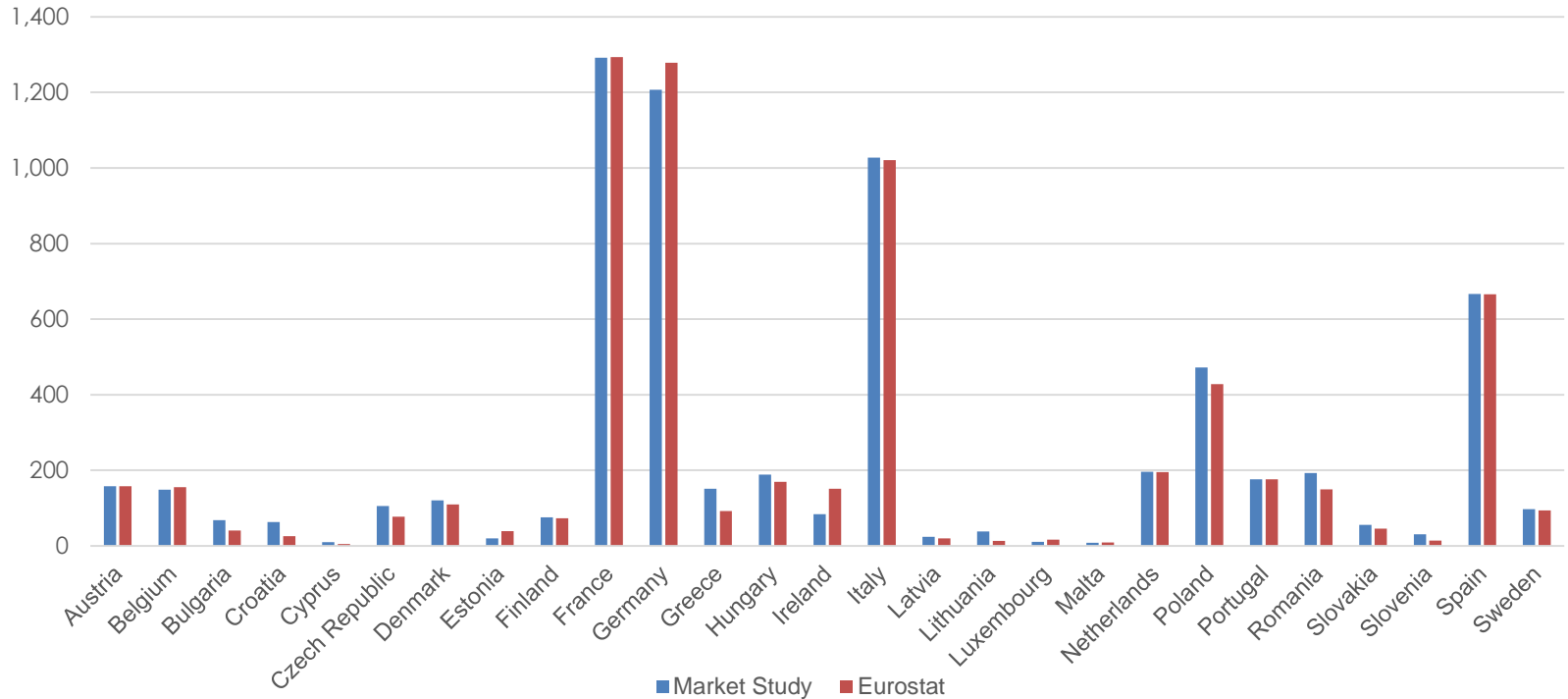
Recycling rates for plastic packaging (2016)



EU Plastics Brexit Tax



Tax based on unrecycled plastic packaging (million €)



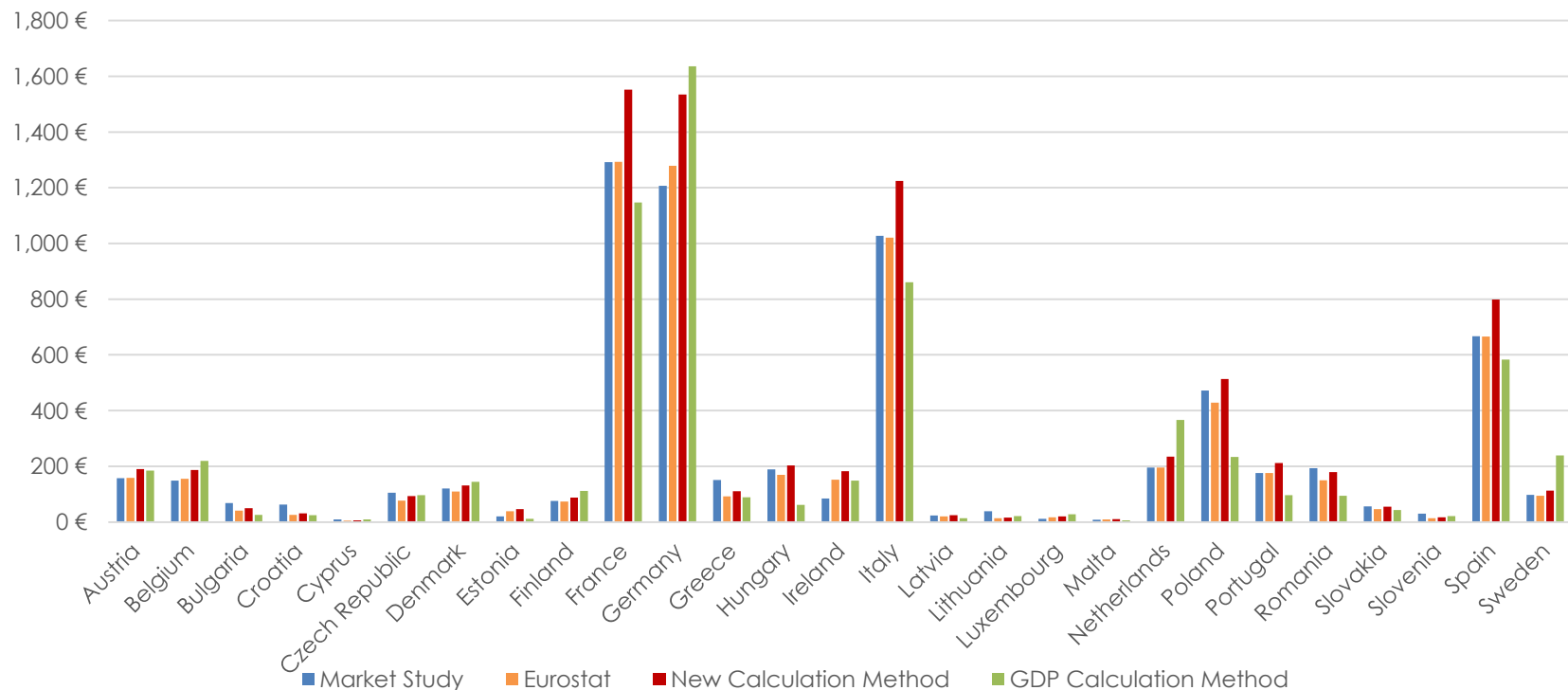


- Different definitions of recycling:
 - Eurostat: “Recycling is divided into ‘material recycling’ (the reprocessing to the original material) and other forms of recycling (including the reprocessing for other purposes such as organic recycling).” ➡ Energy recovery excluded. Chemical recycling?
- Input vs. Output:
 - Eurostat: “The weight of recovered or recycled packaging waste is determined as the **input** to an effective process or, for practical reasons, as the output of a sorting plant which is sent to an effective recovery or recycling process. The weight should exclude non-packaging materials as far as practical.”
 - **New calculation methods** are moving to **output** (before extruders) and will as such increase the contributions of members states (lower recycling % achievements)



EU Plastics Brexit Tax

Tax based on unrecycled plastic packaging (million €)





MOnitoring Recyclates for Europe

Together we will achieve MORE

A mountain to be climbed towards 2025



There is a long road ahead...

Currently, **the industry is annually reusing ~5 MT of recycled polymers** and the aim is 10 MT of recycled polymers reused annually by 2025 (excl. internal production scrap or by-products).

Making plastics **MORE** circular is a common objective of the polymer value chains.

We are on a mission for **MORE in the EU.**



User Friendly Platform



One platform **supported & managed by national & EU plastics converters organisations** in Europe working in several polymer value chains.

MORE has **multilingual access** in all EU languages for SMEs, it is easy to use and available both via website and mobile application. All these features facilitate and ensure **user-friendliness**.



Use of Recycled Polymers in your Company

Choose the recycled polymer type(s) you are processing:

PP PET LDPE HDPE PVC PS EPS PUR PA PC ABS Mixed PO

In which of the following applications did you use the recycled PP ? *You can either enter volumes for the main categories such as "Packaging Flexible" or go more into detail and enter volumes for specific subcategories such as "Films" within "Packaging - Flexible"

[download pdf »](#)

▼ Packaging - Flexible tons

Films

Bags

Multi Material Layers

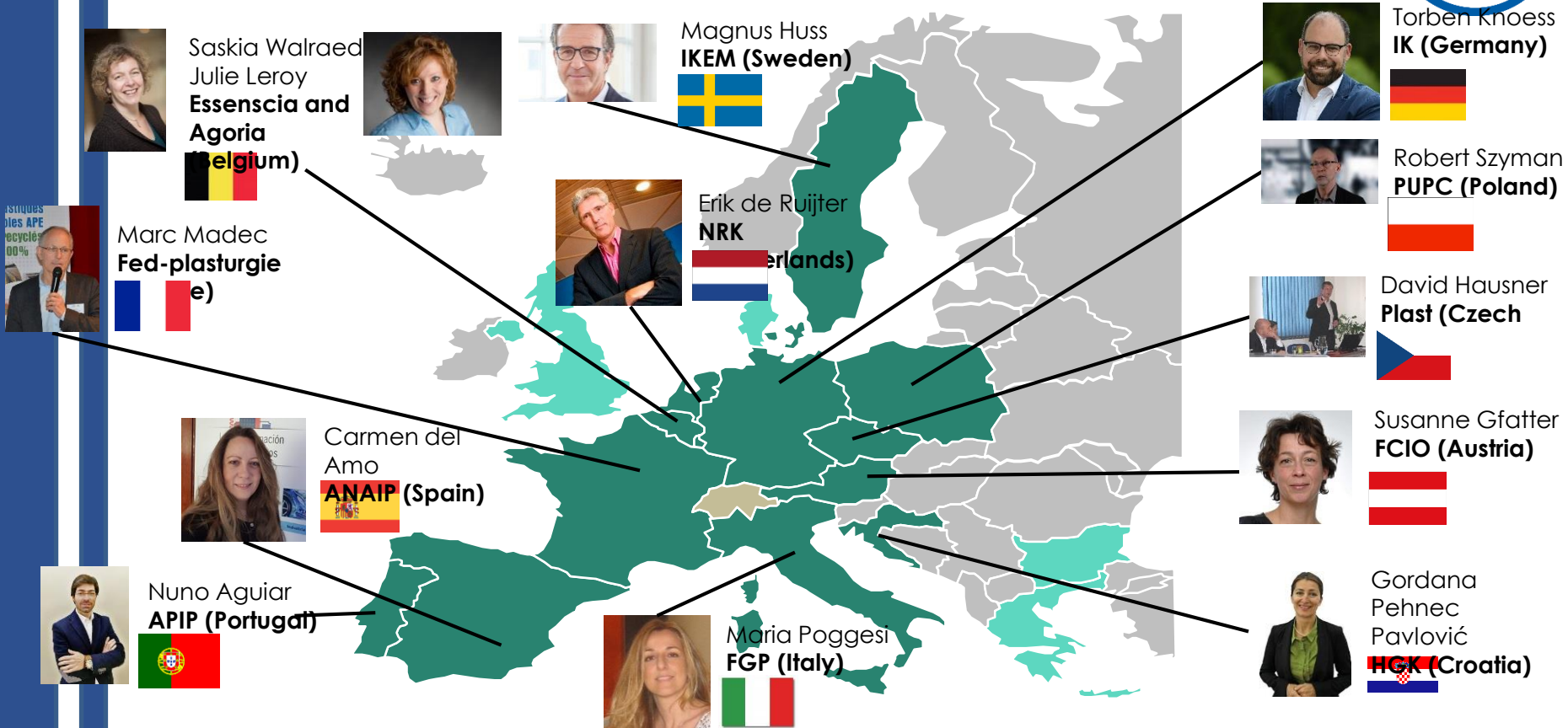
Others

> Packaging - Rigid tons

> Building - Flexible tons

< 1 of 4 answered

Currently appointed National coordinators





Industry Challenges in Europe

- A proposal for an EU wide Plastics Brexit tax of **800 €/T for non -recycled plastics packaging**
 - **A Plastics tax of 1€/T plastics packaging in Italy**
- The implementation of the **EU Single Use Plastics Directive** including **bans** and reduction targets
- **WTO dispute** and trade war EU-USA with potential high duties on imported polymers from USA. The European Commission, is not optimistic about a positive outcome.
 - **A decision is not expected before July.**
- Pressure to **use more recycled materials in our products** and reaching out towards 10 million T in 2025
- Overall **very negative global image of plastics & plastics waste** in particular



Thank you for the kind attention

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