



Position Paper

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EUROCHAMBRES position on the Single-use plastics proposal in the framework of the Plastics Strategy

EUROCHAMBRES, the Association of European Chambers of Commerce and Industry, support the Commission in its efforts to provide a regulatory framework for the circular plastics sector to thrive. The plastic sector consists of more than 60,000 companies, the great majority being SMEs, with approximately 1.75 million employees across Europe. With an annual turnover of 360 billion Euro it contributes significantly to European wealth and added value. The industry has proven time and again that it is at the forefront of feasible and practicable solutions when it comes to innovation, recycling, resource efficiency and proper disposal. It provides essential products and services to a whole range of other activities. It is now up to the legislators to develop environmentally ambitious and at the same time economically viable options in order to secure European jobs and know-how for a sustainable future.

The Plastics Strategy published in January 2018 outlines the Commission's plan for Europe's new plastic economy. EUROCHAMBRES endorse the outlined vision of a plastic sector which is able to design durable, reusable and recyclable products. In our view, the Commission has identified the key issues to be addressed, namely design and innovation, collection systems, recycling capacity and a functioning market for recycled plastics.

However we would like to point to a number of guidelines to bear in mind when developing the subsequent legislation and product standards. In our opinion these have not been considered to the necessary extent in the Plastics Strategy. First of all, technical feasibility, practicability and economic viability have to be at the core of each and every proposal. The sector accepts its responsibility by embracing creative solutions to the challenge of plastic waste, but needs clear and realistic legal requirements in order to be able to live up to it. Secondly, and closely linked to the previous point, follows the uniform application and enforcement across the European Union. It is important for the development of a truly circular plastics market that the provisions are applied in the same manner in every member state. A fully fledged single market for recycled plastics is not only a by-product but a prerequisite for the circular economy. The elimination of barriers to cross-border trade in secondary raw materials is therefore essential to this end. Thirdly, the Commission should uphold the principle of technology and material neutrality. The wish to steer the industry into a desirable direction must not lead to the exclusion of certain solutions. A specific goal can be achieved in different ways and the market will show which ones are worthwhile to pursue. Favouring certain technologies or materials to the detriment of others will certainly not unleash innovation. Fourthly, EUROCHAMBRES call for a holistic approach in determining the consequences of legislation. Before promoting any alternative its potential ecological as well as socio-economic impacts have to be taken into account. Often, bio-degradable products are only degradable under industrial conditions and thus may require more total energy input than other solutions. An alternative with a higher end consumer price may end up being a luxury good for disadvantaged consumer groups. Both examples show possible unintentional outcomes of legislation that is not sufficiently thought-through.

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the reduction of the impact of certain plastic products on the environment

EUROCHAMBRES agree with the Commission that the disposal of single-use plastics is one of the most pressing environmental concerns of our times. The European business community is aware of the huge environmental impact of improperly disposed plastic products. We therefore welcome the general goal of the Commission's proposal to prevent any further supply of litter into the sea and have a few remarks which, in our view, would help the sector to adapt and steer production, collection, recycling and disposal in the appropriate direction.

The definition of a 'single-use plastic product' as found in Art. 3 (2) is somewhat ill conceived. For the sake of both legal certainty and future initiatives, the scope of the term shall be as clear as possible from the very start. The term 'partly' is very vague and may create confusion on which products or type of products to be included. The blurriness of definition includes the term "significant reduction" mentioned in Art. 4, 1., which may lead to heterogeneous and diverging implementation in the member states. EUROCHAMBRES are more than willing to contribute to a more accurate definition.

In Art. 4, 1. the Commission furthermore does not elaborate on its ideas on 'reusable alternatives'. Technical feasibility, economic viability and practicability for the consumer have to be taken into consideration at all stages. Currently available, large scale alternatives are only degradable under industrial conditions. Up to date, we do not know the long-term impact of bio-degradable plastic material on the environment if they disintegrate under normal conditions. The sector is incessantly working towards developing reusable alternatives, EUROCHAMBRES thus highly welcome political support for innovative solutions. It has to be clarified how to translate this political support into action to boost research, development and deployment of these solutions. When it comes to bans (Art. 5), EUROCHAMBRES are firmly convinced that this can only be a measure of last resort, exclusively reserved for the most extreme cases. Before an outright ban of any product, every other possibility must be exhausted. There are a number of voluntary agreements, especially in the plastic market. Eg in Germany there is an agreement between a large part of the retail sector and the government to levy a charge on plastic bags. Since 2016, the usage of plastic bags could thereby be reduced by more than a third. In addition there are several initiatives launched by the plastics industry to boost recycling rates of different materials. More initiatives and undertakings can be found at the Commission's database for Retailers' Commitments (REAP).

Bans will in the end negatively affect the entire value chain, from producer to retailer to consumer. We do not see how prohibiting products without prior assessment as to their economic and ecological performance in comparison with bio-based alternatives could really promote the best option. As the example of the plastic bag shows, the conventional product may even have a smaller environmental impact than the bio-based alternative. The industry has made enormous progress eg in terms of quantity of plastics used and grams CO₂ emitted per ton of material produced. In addition, especially in relation to food packaging, which is subject to hygienic and safety issues, the market simply does not provide viable alternatives in sufficient quantities yet. A ban in itself, without accompanying measures, does not provide an incentive for alternatives and moreover does not contribute to sensitisation of consumers. In our opinion it only adds to the stigmatisation of an entire industry. The approach chosen by the Commission gives rise to the concern that more products will be banned in the future, creating uncertainty for existing value chains, research activities and investment projects.

To alleviate these concerns, the development of product requirements has to involve business from an early stage on and must ensure enough flexibility to avoid restrictions on future innovation and research. In principle, the approach chosen by the Commission for beverage containers, ie elaborating harmonised rules by the European standardisation bodies (Art. 6), is welcomed by EUROCHAMBRES, provided that the abovementioned requirements are met.

With regards to extended producer responsibility, EUROCHAMBRES are highly critical of the proposed approach. Making business responsible for actions completely outside their control is unacceptable. We recognise the impact of economic activity on the environment and the significant contribution companies have to make for the solution, so we firmly support rational extended producer responsibility schemes. However, a proposal leaving aside the consumers' behaviour in its entirety is in our point of view not rational and above all neither sufficient nor expedient to reach the goals stipulated. EUROCHAMBRES and its members therefore support awareness raising campaigns about the proper use and disposal of plastic products. The economy stands ready to contribute to such an endeavour.

As for the separate collection articulated in Art. 9 of the proposal the cost and benefits of any additional system have to be evaluated very carefully. In some cases it may not make sense to introduce a supplementary deposit-refund scheme. Some EUROSTAT data even suggest that in case there are well established waste separation schemes, this may actually decrease overall plastic recycling.

Finally, in this context EUROCHAMBRES are very sceptical about a right to access to justice as enshrined in Art. 12 of the proposal. Quantifiable objectives should not be threatened by such legal sanctions. In the end, we must bear in mind the difference between environmental concerns where the civil society, citizens and NGOs have a legitimate interest and must have the possibility to raise claims and target values, which are often very ambitious and represent the commitment of a member state towards an overall European goal.

At this point it also has to be noted that the impact assessment carried out prior to the proposal has a number of shortcomings. In our point of view, some of the concerns stated by the regulatory scrutiny board in its opinion (SEC/2018/0253) have not been taken into account sufficiently. In particular, it is still not clear whether the adopted measures are the most cost-efficient ones. Furthermore, it is not clarified why the issue cannot be tackled by adapting existing legislation. In addition, European Chambers see the need for specific impact assessments of any future implementing action.

EUROCHAMBRES are very keen on supporting the legislators in putting forward an ambitious and both economically and environmentally sound proposal. We have to keep in mind, though, that Europe's plastic waste ending up in the oceans is hugely dwarfed by the quantities emitted by other economic actors, especially Asia (in fact, Europe ranks 18th worldwide). Measures to support effective separation, collection and recycling systems in these countries would contribute more to the attainment of global objectives than putting additional restraint on the European economy. And by doing so, Europe can ensure its world leading position in the future.

Conclusions & recommendations

The plastic sector itself has made huge efforts to reduce its environmental footprint and will continue to do so. It therefore needs political guidance and a clear and consistent regulatory framework providing it with the necessary incentives and tools to invest in innovative products and cleaner production facilities. Business is aware of its responsibility for a more sustainable future but also of its crucial role in achieving this goal.

EUROCHAMBRES identified a number of issues which can be optimised and thus recommend the following:

1. The outright **ban of products must be reconsidered**. Instead, consumers must be brought on board by awareness and sensitisation campaigns. We are convinced that an ambitious political strategy has to involve the consumers and may even have to include measures that seem painful for them at first sight. In addition the Commission shall push for voluntary agreements in the member states and stronger promote existing initiatives.
2. **Definitions throughout the proposal have to be clarified** in order to avoid uncertainty and diverging interpretation in different member states. A clear distinction is to be made between actual single-use plastics and partly plastics products used for highly sensitive purposes such as food packaging.
3. **Uniform application of existing waste-related regulation** must be the top priority, especially with regard to the current extended producer responsibility schemes.
4. **Eco-friendly design** can reduce the use of plastics in some cases, but **should be based on companies' innovation and research**. Too strict guidelines on technology and/or material choice should be avoided in order to leave enough scope for product development. Future product standards shall only be developed with the involvement of business from the earliest stage.
5. **Impact assessments for any future implementing action**.
6. The huge impacts of improperly disposed plastics on the environment are a global problem. The **EU should promote and fully support attempts to establish waste collection, separation, treatment and recycling systems** of third countries.

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 44 countries and a European network of 1700 regional and local Chambers.

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