PLASTICS RECYCLERS EUROPE

SECURING A FUTURE FOR CIRCULAR PLASTICS IN EUROPE

ACTIONS FOR A COMPETITIVE PLASTIC & RECYCLING SECTOR IN THE EU

ACTIONS FOR A COMPETITIVE PLASTIC & RECYCLING SECTOR IN THE EU

Plastics, the third most used material in Europe, are a cornerstone of modern industry, playing a crucial role in sectors such as packaging, automotive, construction, electronics, and healthcare. The best way to further decarbonise their production is via recycling and the subsequent use of recycled plastic in new products.

To safeguard the European plastic sector, it is important that the EU achieves the ambition of the Clean Industrial Deal, which is to make the EU the world leader in the circular economy by 2030. European recyclers are playing a pivotal role in ensuring that plastic waste generated in Europe is reprocessed in an environmentally sound way into high-quality material and used in new articles, which are produced by the European plastics converters. Plastic recycling reduces dependence on fossil fuels and effectively lowers CO_2 emissions, making it an essential component of the plastic sector and the EU's net-zero vision.

However, the plastic industry and the plastic recycling sector are currently facing a crisis stemming from unfair competition from massive imports of plastics labelled as "recycled", market volatility and evolving regulatory demands which are currently not met by the imported materials. The situation is further exacerbated by global overcapacity, which negatively impacts the sector's profitability and competitiveness in Europe.

IMMEDIATE ACTION NEEDED TO SAFEGUARD THE EU'S INDUSTRY

Comprehensive and forward-looking actions are urgently needed to restore the competitiveness of the European plastic sector, bolstering economic resilience while addressing environmental and circularity challenges.

It is high time to protect, support, and promote the EU's industrial base and its production capacities.

URGENT MEASURES ARE NEEDED NOW

Europe's plastic sector is at a crossroads. Without a decisive, industry-specific plan, Europe risks losing both economic competitiveness and strategic leadership in the global plastics and plastic waste management market. Despite its essential role in countless applications and major investments in recycling technologies, the sector is confronted by:

- **Lack of a level playing field from global competition and trade:** Subsidised production and less sustainable collection and recycling abroad, combined with unfair trade practices, threaten market stability and strategic autonomy, including dependence on natural resources and a lack of supply chain diversification.
- **High energy costs:** Europe has one of the highest energy prices in the world, which puts production processes at a structural disadvantage.
- **High cost of raw materials and waste feedstock:** prices for raw materials put European businesses at a competitive disadvantage.

These trends give a clear message – the European plastic sector will not be able to compete with pressure from the global market without immediate, concrete measures to reverse these trends.

This document outlines six essential steps and a set of respective actions for achieving a genuinely circular and competitive European plastic sector.

1 Effective and strengthened use of trade and market defence to safeguard EU industry

- **Improve import transparency and verification:**
  * Introduce urgently dedicated customs codes for recycled plastics and products containing recycled content to better track imports and ensure adherence to EU legislation with a mechanism of mirror clauses.
  * Enforce strict controls on imports of recycled plastics and products containing recycled content to safeguard 'made in the EU' products.
  * Introduce surveillance to track recycled and virgin polymers imports to allow for reacting rapidly to level the playing field in case of a surge and changing market conditions of imports, causing or threatening to cause injury to the EU plastic and plastic recycling industry.
  * Introduce harmonised penalties across EU for failing to meet recycled content targets under the PPWR. These penalties should create a strong, long-term incentive to support the sustainability of Europe's plastics recycling industry.
- **Implement fair tariffication:** Establish mechanisms to adjust import tariffs for non-compliant countries, protecting EU recyclers from unfair competition and market distortions. Reducing dependence on imports requires corrective actions to ensure sustainability and reinforce the commitment to a circular economy within the EU.

2 Urgently reduce energy prices

- **Provide access to inexpensive and clean energy:** Remove barriers and support the deployment of energy solutions tailored beyond energy-intensive industries, also to the plastic recycling sector.
- **Encourage Member States to leverage energy tax flexibility** to alleviate electricity price volatility.
- **Include subsidies and tax reliefs** for recycling activities.

3 Reduce price pressure on raw materials

- **Regulate waste speculation:** Implement measures to ensure that only operators with appropriate recycling permits can purchase sorted waste, curbing market speculation.
- **Preserve the quality of sorted plastic waste while pursuing higher recycling rates:** Enforce robust reporting standards with standardized bale qualities to accurately reflect the actual uptake of recycled materials and recycling yields.

4 Safeguard high-quality standards for collection, sorting, recycling and recycled plastics

- **Implement rigorous controls of compliance and quality:** Enhance monitoring systems to ensure compliance with recycled content targets and that recycled plastics meet the high standards required for critical applications, with equal enforcement applied to both domestic and imported goods.
- **Establish single market for waste:** Develop a unified framework across Member States to streamline compliance, facilitate cross-border trade, and enhance the reputation of European recycled plastics by adhering to high-quality sorting standards within the EU.

5 Simplify compliance

- **Reduce administrative burden:** Streamline and harmonise reporting requirements, while simplifying regulatory frameworks to reduce compliance costs and encourage innovation. Companies should be certified using a single auditing framework for reporting recycling rates, microplastics compliance, End-of-Waste, and recycled content.
- **Accelerate the process of obtaining and renewing permits:** Establish an EU-wide regulation for accelerated and simplified permitting procedures. This shall include projects involving the construction of installations utilising circular processes and industrial technologies, including recycling plants. These, by ensuring a maximum review period of six months for new facilities and upgrades, shall be fixed similarly to the permit-granting process established within the regulation to accelerate the deployment of renewable energy.
- **Establish EU harmonised penalties** for non-compliance with market access conditions under SUPD and PPWR for recycled content and design for recycling requirements.

6 Apply fiscal and funding incentives

- **Introduce fiscal incentives in public procurement, such as tax reductions for products made with recycled content:** Public authorities should integrate criteria that prioritise the use of EU-sourced recyclates in purchasing decisions, thereby stimulating demand and supporting European recyclers.
- **Harmonising EPR frameworks:** Establishing consistent and clear EPR regulations across all Member States to help create a more streamlined system for collection, sorting, and recycling.
- **Stimulate EPR eco-modulation fees based on recycled content and recyclability:** EPR schemes should include eco-modulation mechanisms that reward the use of EU-sourced recyclates and encourage companies to prioritise locally sourced recycled materials.
- **Earmark funding for plastics recyclers** from the EU Competitiveness Fund.

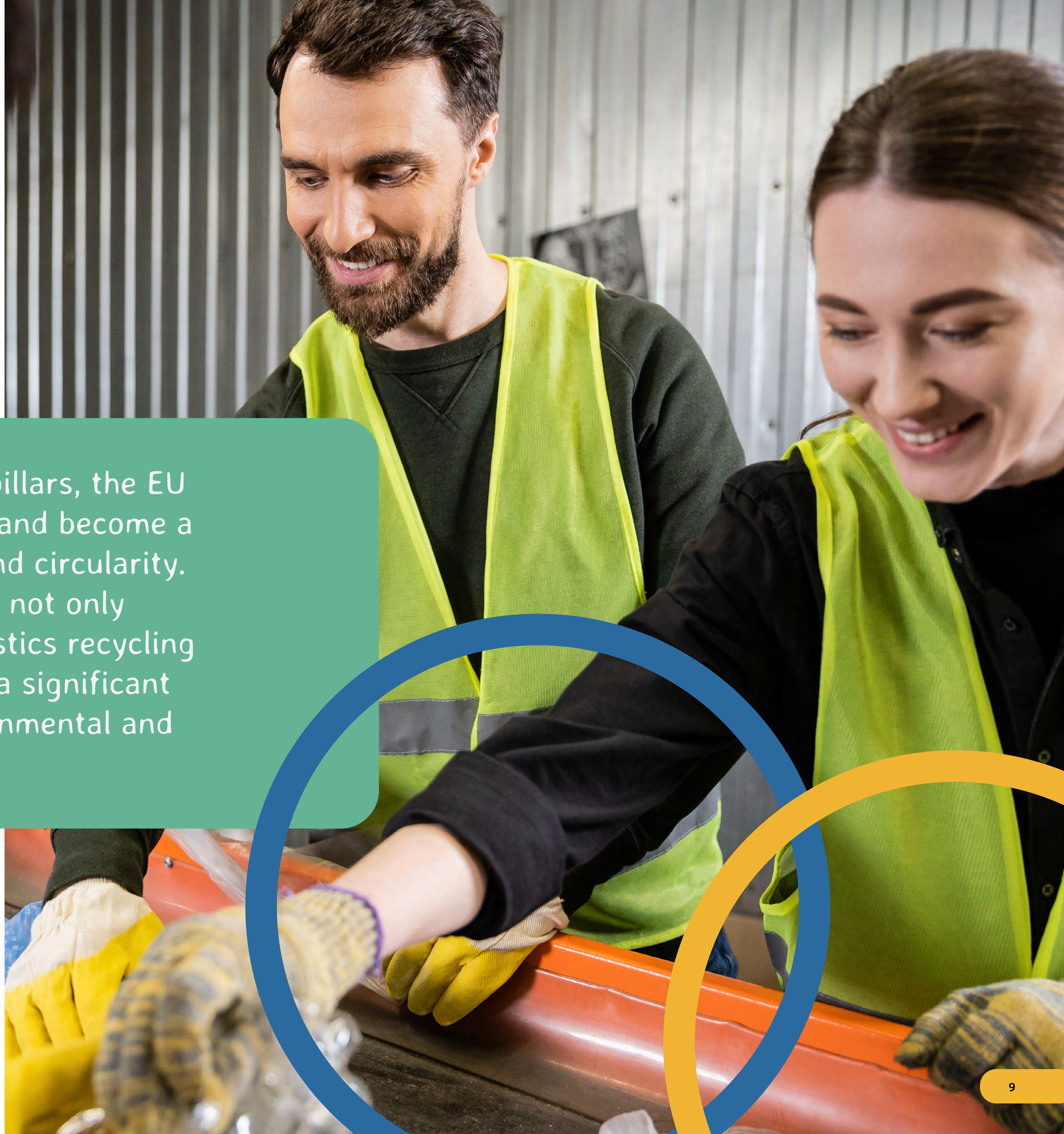
THE WAY FORWARD

The European plastic sector finds itself in a critical position – global plastic production is expected to surpass 700 million tonnes by 2040, yet production in Europe is in decline. This follows the general trend of European deindustrialisation, which has put immense pressure on achieving circular economy models.

By embracing these six strategic pillars, the EU can transform its plastic industry and become a leader in sustainable innovation and circularity. These bold, integrated actions will not only secure the future of European plastics recycling and its value chain but also make a significant contribution to the broader environmental and economic objectives of the Union.

A revitalised, protected EU industry, driven by green innovation and fair competition, is essential for maintaining Europe's strategic autonomy in a rapidly evolving global market.

We are calling for the initiation of a dialogue on the importance of the plastic industry value chain, including waste management actors, to the EU's economy and its strategic role in delivering on the climate neutrality goal.



Plastics Recyclers Europe

Avenue de Broqueville 12
1150 Brussels - Belgium
+32 2 786 39 08
info@plasticsrecyclers.eu

PLASTICS RECYCLERS EUROPE