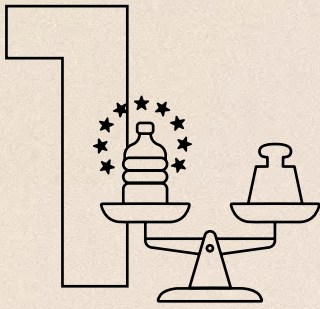


Strategic Recommendations For a Resilient and Circular Plastic Value Chain In Europe

The European plastic value chain is facing a deepening industrial recession that threatens its role in delivering circularity, strategic autonomy, and green innovation. Soaring energy costs, legal uncertainty, regulatory fragmentation and intensifying global competition are steadily eroding the sector's resilience and undermining its capacity to invest, innovate, and compete.

Recent data confirm the severity of the decline and underscore the urgency for intervention. Between 2018 and 2022, plastics production in Europe declined by 13.3%, followed by a further drop of 8.3% in 2023. Equally concerning, 2024 saw the slowest growth in recycling capacity in years and a surge in facility closures across Member States.

In response, over 30 key actors in the entire plastic value chain, including waste management operators, recyclers, raw material producers and plastics converters, put forward a set of strategic recommendations to shape a forward-looking agenda to foster industrial competitiveness, strengthen supply chain resilience, and secure a sustainable, circular, and innovation-driven plastics economy for Europe.



Restore Fair Competition & Promote Circular Plastics Made in Europe

Without promoting the uptake of high-quality plastics produced in Europe, the transition to a circular economy cannot be achieved. This requires enforcing mirror measures on imports of recycled polymers and plastic products, or equivalent workable mechanisms to restore a level playing field. This also includes ramping up targeted incentives in infrastructure for collection and sorting, boosting investment in EU recycling by exploring Green VAT and implementing EPR bonuses, ensuring high-quality standards, establishing uniform design-for-recycling criteria, and reforming public procurement to favour European-made recyclates. It is also essential to reduce the incineration and landfilling of plastic waste, which is diverted from the circular loop.



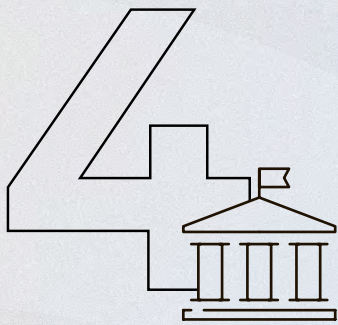
Cut Energy Costs & Support Circular Plastics to Compete Globally

Stronger links between circularity and climate policy are essential, accompanied by a comprehensive package of supporting measures for the EU plastic industry. Recycling, masterbatching, compounding, and converting should be eligible for the support measures included under the Net Zero Industry Act (NZIA), the Clean Industrial State Aid Framework (CISAF), the Industrial Accelerator Act (IAA) and Climate, Environment and Energy Aid Guidelines (CEEAG) energy-intensive industries. The plastics industry must benefit from affordable energy schemes, tax relief, and emissions-based funding to remain competitive. State Aid, including operating aid, is urgently needed, with resource allocation focusing on CO₂ savings, resource efficiency, and circularity, with dedicated access for SMEs and existing companies. Current revenues from plastics, such as those from ETS and Plastics own resource, should be reinvested into a dedicated fund within the Competitiveness Fund, to support the circularity of the plastic industry, including waste management.



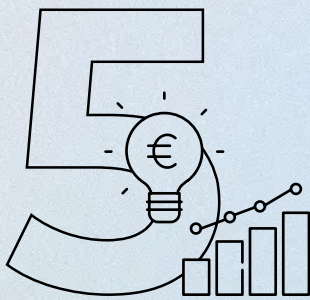
End Loopholes in Verification & Enforcement

Strong enforcement starts with properly staffed and well-equipped authorities, including Customs authorities, harmonised rules, and consistent market surveillance. National authorities should benefit from structured training, industry dialogue, and digital traceability tools. Separate customs codes for fossil-based and for every non fossil-based feedstocks and products (bio-based, recycled and carbon captured), as well as a harmonised EU verification framework, and a streamlined third-party certification are essential for detecting non-compliant imports. Oversight of recycled content claims, compliance with food contact material legislation, and REACH enforcement must apply equally to imports, backed by robust traceability standards and test methods.



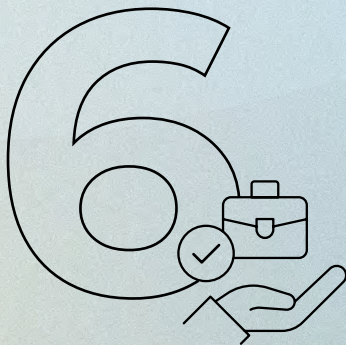
Implement & Enforce EU Law

Consistent and harmonised implementation and enforcement of EU law across Member States is essential. This includes strict enforcement of recycled content targets, backed by third-party certification and clear penalties. Legal clarity and coherent rules interpretation are needed to boost investment confidence, as well as to reduce red tape via streamlining permitting and reporting processes. Harmonised compliance audits and EU-wide End-of-Waste criteria are needed to scale circular solutions across the Single Market. For example, in the case of food-contact material, the Commission must increase its resources to ensure a sufficient supply of safe recycled plastic. This entails ensuring that competent authorities conduct their audits, completing the relevant Union register, and fast-tracking the approval of the so-called novel technologies.



Catalyse Innovation & Private Investment

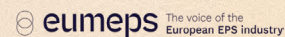
Delivering circularity at scale requires targeted support for breakthrough technologies, fostering a regulatory environment that de-risks investment and accelerates innovation while supporting existing capacities. Advancing efficient collection systems, scaling sorting and separation technologies, and supporting all recycling technologies - while prioritising the most sustainable ones - is essential. To unlock investments and build a unified and competitive circular plastics market, the EU must strengthen coordination, harmonise rules for recycling and substances, and clarify governance at Member State level.



Enhance EPR for a Fair Circular Market

Increased harmonisation of EU-wide EPR rules, definitions, and eco-modulated fees are essential to avoid market fragmentation and ensure fair competition. EPR should target market failures, reward design-for-recycling and recycled content through material-neutral, more harmonised requirements and criteria. Strategic governance should have full value chain representation, for example through an advisory board. Operational governance of PROs should be independent. Fee-based competition that could incentivize minimal compliance should be prevented.

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