

Ms Frédérique Ries
Member of the European Parliament
European Parliament
Rue Wiertz 60
BE-1047 Brussels
BELGIUM

11 July 2018

Dear Rapporteur,

BusinessEurope supports Europe's intentions to achieve ambitious recycling goals and a real market for quality secondary raw materials. We see many opportunities to make the business case out of circular forms of plastics, some of which are showcased on the Circular Economy Industry Platform (www.circularity.eu). Furthermore, we support the voluntary pledges and agreements to try and create a market for recycled plastics of at least 10 million tonnes by 2025. Moreover, we understand the need to prevent plastics and all other waste from reaching our oceans and minimise plastic litter in our environment. Therefore, it is important that business, governments and consumers work together to achieve these goals. On the recently published Commission proposal on the reduction of the impact of certain plastic products, industry stands ready to contribute. It nevertheless raises some questions on proportionality and fairness. In particular:

- **The proposal's true impact is not properly captured in the Commission impact assessment.** Whereas the impact assessment on the 2015 Plastics Bags Directive was conducted over a period of 2 years, the assessment on the single-use plastics proposal was conducted in a 3-month period. As a result, several of the effects stated in the assessment, such as on employment, seem to be based on anecdotal evidence rather than clear facts and figures, while other effects are missing. For example, the impacts and risks for food hygiene, public health and consumer safety of reduced access to food and beverage service packaging is not taken into account, even though this point was repeatedly stressed in the consultation sessions. Furthermore, impacts are generalised across the EU without taking into account Member State specificities. BusinessEurope therefore calls on the European Parliament and Council to conduct a new, more thorough impact assessment on the proposal as well as on any substantial amendments that might be tabled.
- **Apply flexibility to the design of EPR schemes.** What works well in one Member State or sector might not work at all in others, therefore national governments should have the flexibility to decide how they wish to achieve the ambitious recycling targets and minimise waste ending up in the environment. Furthermore, many businesses see a risk that they need to pay for aspects that are beyond their control. For example, even if EPR schemes can help create incentives in some countries to design products in ways that facilitate recycling, the design of packaging will not influence the consumer's behaviour when it comes to appropriate disposal. Therefore, the proposal opens up the possibility for a potentially unlimited burden on producers, something that is not properly reflected in the Commission's impact assessment. It is important to focus on awareness raising campaigns to reduce inappropriate disposal behaviour and strengthen this with penalties on such



behaviour, such as significant on-the-spot fines as is successfully demonstrated in Canada and Singapore. The awareness campaigns, as well as ways to improve sorting, collection and treatment can be partly funded by producers, but also across the value chain and by society as a whole. It is disproportionate and unjustified that producers should pay for all of these costs as is currently suggested in the proposal. Furthermore, by requiring businesses to fund costly EPR schemes for specific products, they will have significantly less funds at their disposal to innovate and make plastic products more circular. Therefore, such measures may put the success rate of the voluntary pledging campaign at risk.

- **Bans should be a last resort.** BusinessEurope recognises that many of the products subject to a ban may originate from outside of the EU and that this measure is put in place to stimulate material substitution. However, the fact that most production happens outside of Europe does not mean that there is no production in Europe and that businesses and associated jobs may not be sacrificed. For example, the Commission's impact assessment states that the company Huhtamaki has 14 production plants in India. The implication is clearly that Huhtamaki manufactures in Asia to export to Europe, however what is not stated in the impact assessment is that Huhtamaki mostly serves the Indian market with those plants, not Europe. In fact, Huhtamaki operates 22 facilities in Europe. Furthermore, material substitution in itself does not address the littering issue, raising questions about the effectiveness of materials bans to address litter issues. As such, a ban sets a precedent for the future: Will this be a catalyst for bans on other materials if it is found that the littering problem continues? Product bans must therefore be a last resort and should only be used if alternatives exist that are cost-effective and more sustainable across their life-cycle.
- **Improve government support.** As only 2% of plastic waste ending up in the oceans originate from Europe and the US, international actions to prevent marine litter are crucial. These international efforts should be complemented with better enforcement of the existing and recently reformed waste acquis. Currently, there is a lack of enforcement of existing rules in many Member States, which results in more littering. This also includes minimising landfilling, setting up proper collection and sorting systems, and supporting research and innovation to develop solutions such as alternative materials, recycling technologies, and new applications of existing technologies.

In sum, we encourage you to not to consider "plastics" as an enemy of the environment, but rather the incorrect management and disposal of plastic as the real challenges to tackle. We count on you to address these key aspects in your deliberations with your colleagues in the European Parliament. On these and other issues, BusinessEurope will keep engaging with policymakers on behalf of European business at large.

Yours sincerely,



Markus J. Beyrer