

# PETCORE EUROPE

## Regulatory Framework



Antonello Ciotti  
President





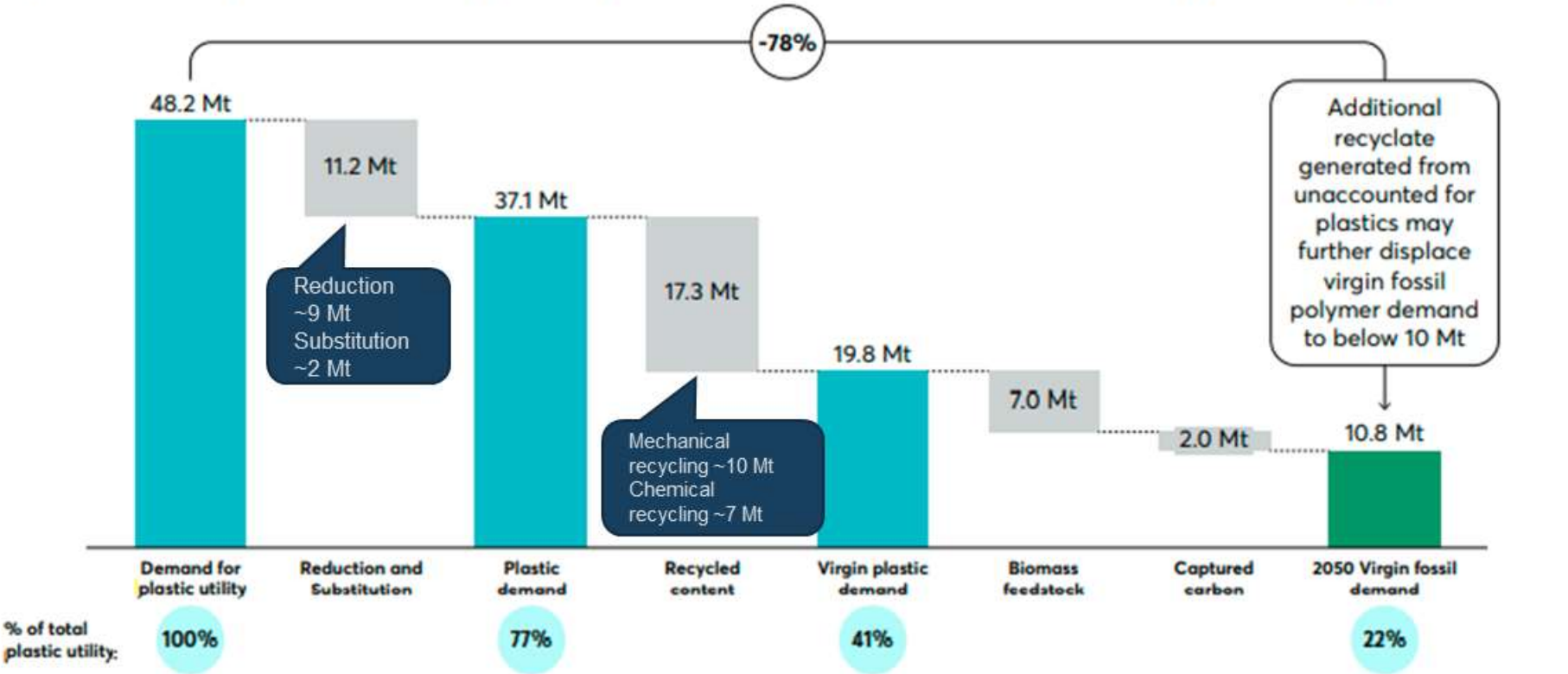
# Reshaping Plastics Report by SystemIQ

## ReShaping the European Plastics System

2050 Endstate Scenario	Circularity (%)	GHG Emission (MtCO <sub>2</sub> e)	Virgin Fossil Plastics Use (Mt)
"Do Nothing"	14%	112	44
Current Actions Scenario	33%	92	37
Reduction & Substitution Scenario	52%	68	29
Recycling Scenario	69%	41	24
Circularity Scenario	78%	33	20
Retrofit System Change Scenario	78%	25	20
Net-Zero System Change Scenario	78%	~0	11

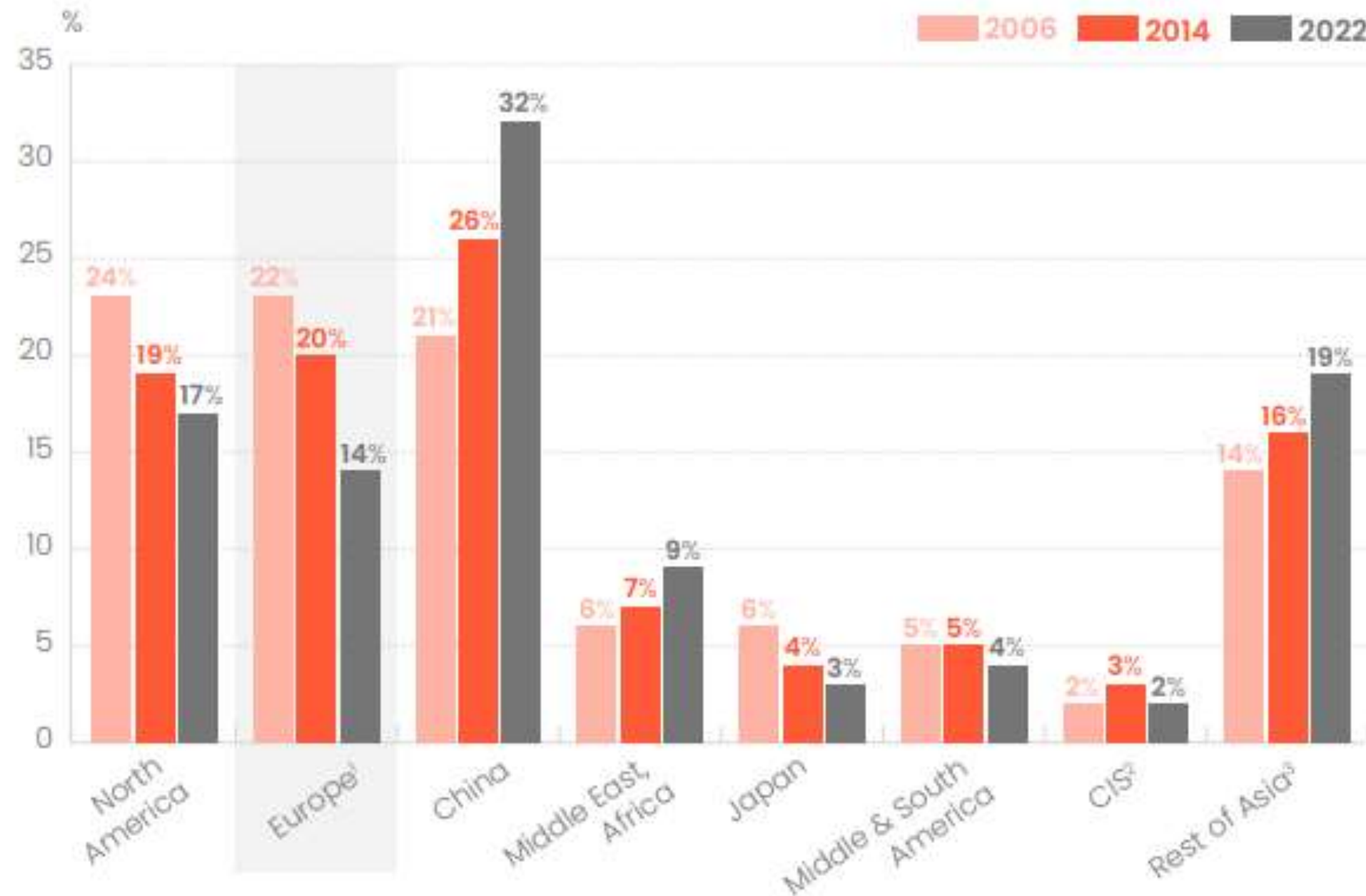
**12MT of virgin fossil remain in the system in 2050 in the Net Zero Systems Change Scenario – to what extent should a complete disengagement be considered?**

By 2050, 78% of plastic utility is supplied by alternatives to fossil fuel in the Net Zero Systems Change Scenario



Source: "Reshaping Plastics" model

# EU's Share of Global Plastics Production



World plastics production reached **400.3 Mt** in 2022.

Click or scan here to access more detailed World production data.



"Plastics - the fast Facts 2023".

The above data are rounded estimations.

1. EU25+2 in 2006, EU28+2 in 2014, EU27+3 in 2022.

2. Commonwealth of Independent States: Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan and Uzbekistan.

3. Includes Asian countries (except China & Japan), Oceania, Turkey and Ukraine.



# EU's Share of Global Circular Plastics Production

## Post-consumer recycled plastics production (mechanical & chemical)

2022, by regions of the world



## Bio-based & bio-attributed plastics production

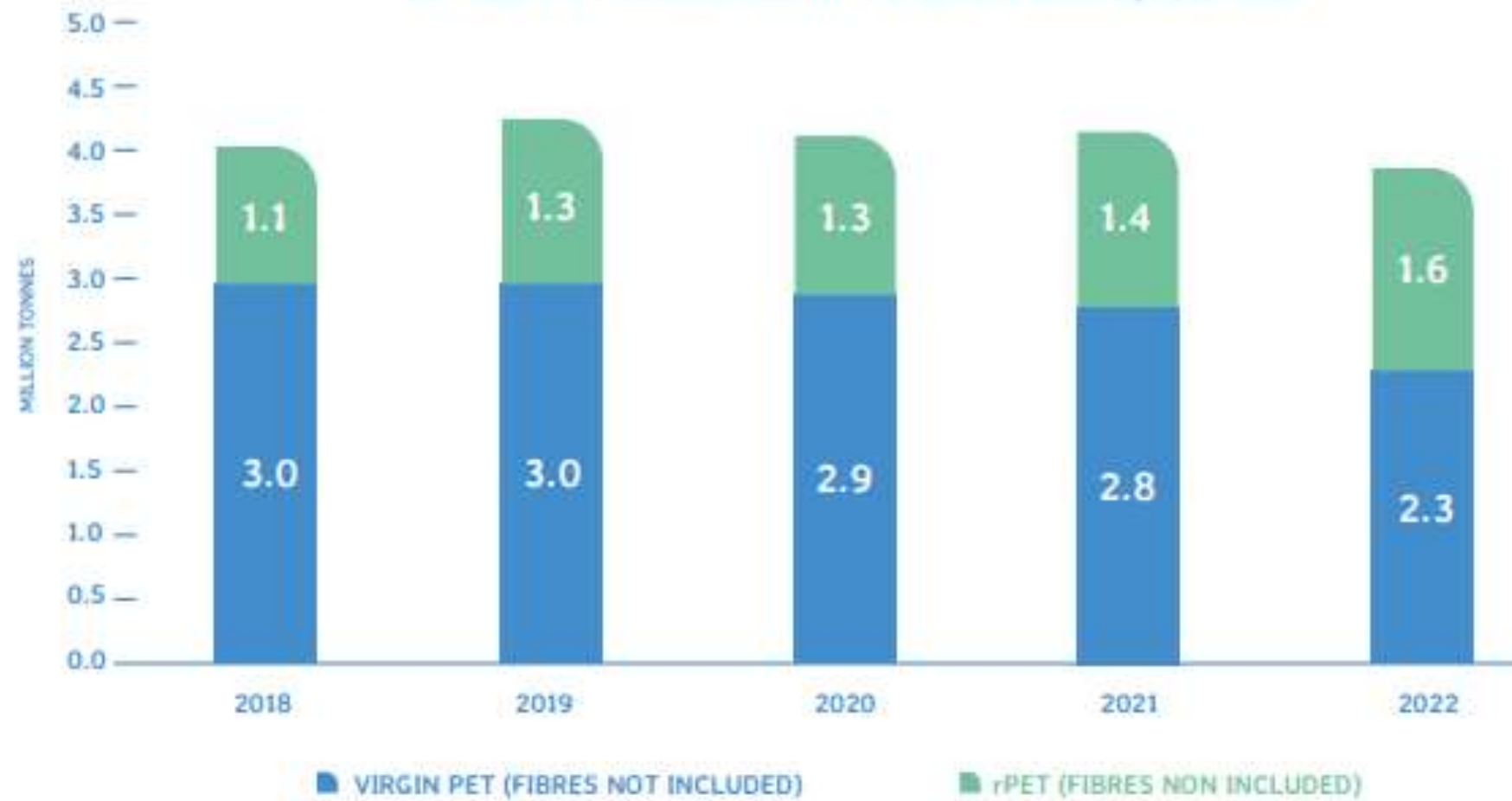
2022, by regions of the world



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# PET market Overview

PET AND rPET PRODUCTION IN THE EU27+3 REGION, 2018-2022



PET IMPORTS AND EXPORTS IN THE EU27+3 REGION, 2018-2022



# TDI instruments : ANTI DUMPING

- First Time ever common action from virgin PET manufacturers and Recyclers to get support against dumping from China on vPET and rPET.
- *Duties Imposed as of June 2024*

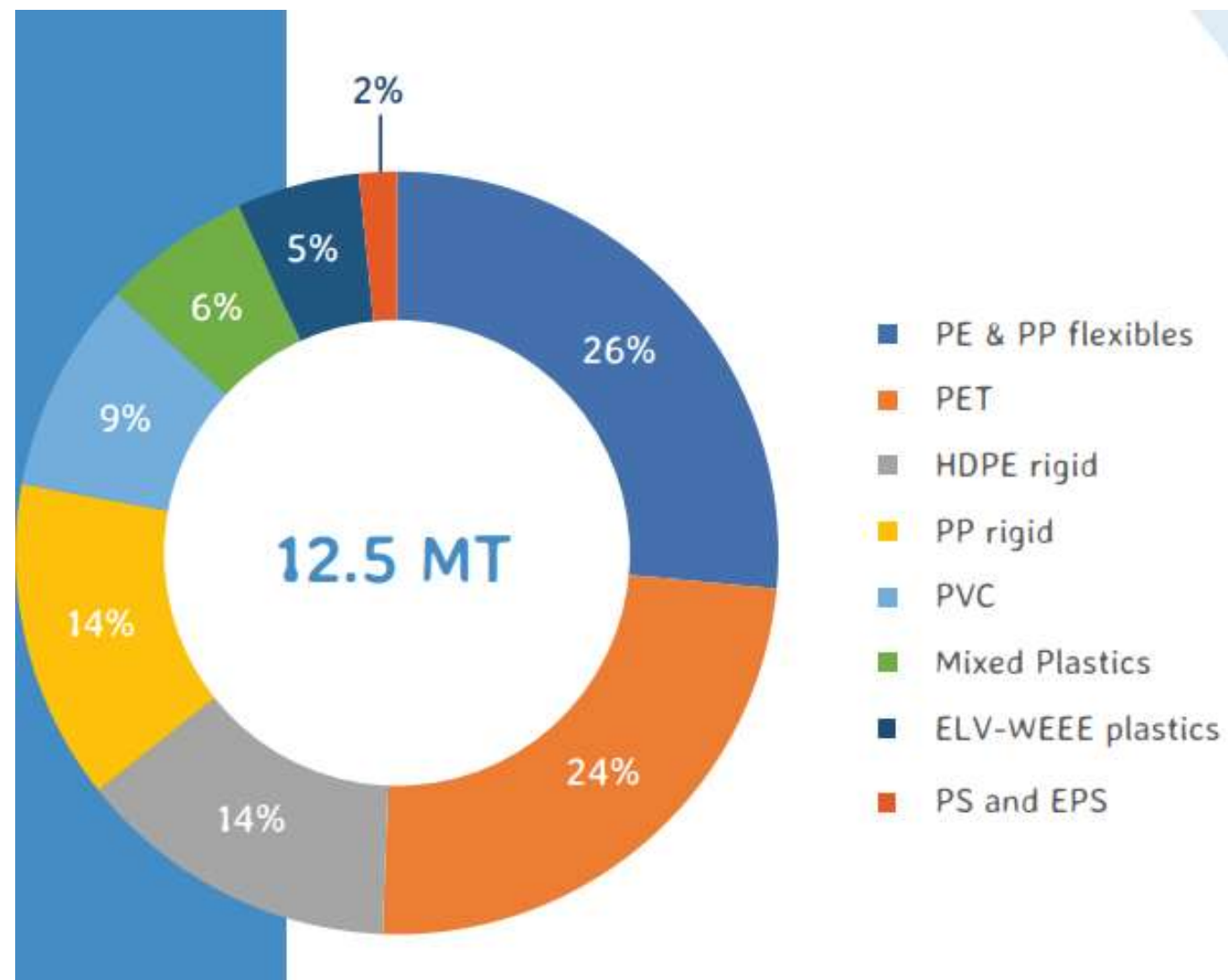


Name	2023 Capacity (in kt)	Preliminary ADD (in %)
SanFangXiang	3 600	6.6%
Wankai	3 450	10.7%
China Resources	1 000	17.2%
Yisheng/Sinopec	3 600	11.1%
Dragon Special Resin	250	11.1%
Far Eastern Industries	550	11.1%
Jiangsu Ceville New Materials	(Post consumer recycler)	11.1%
All others companies	18 900	24.2%



# EU PET Recycling Plastic Overview

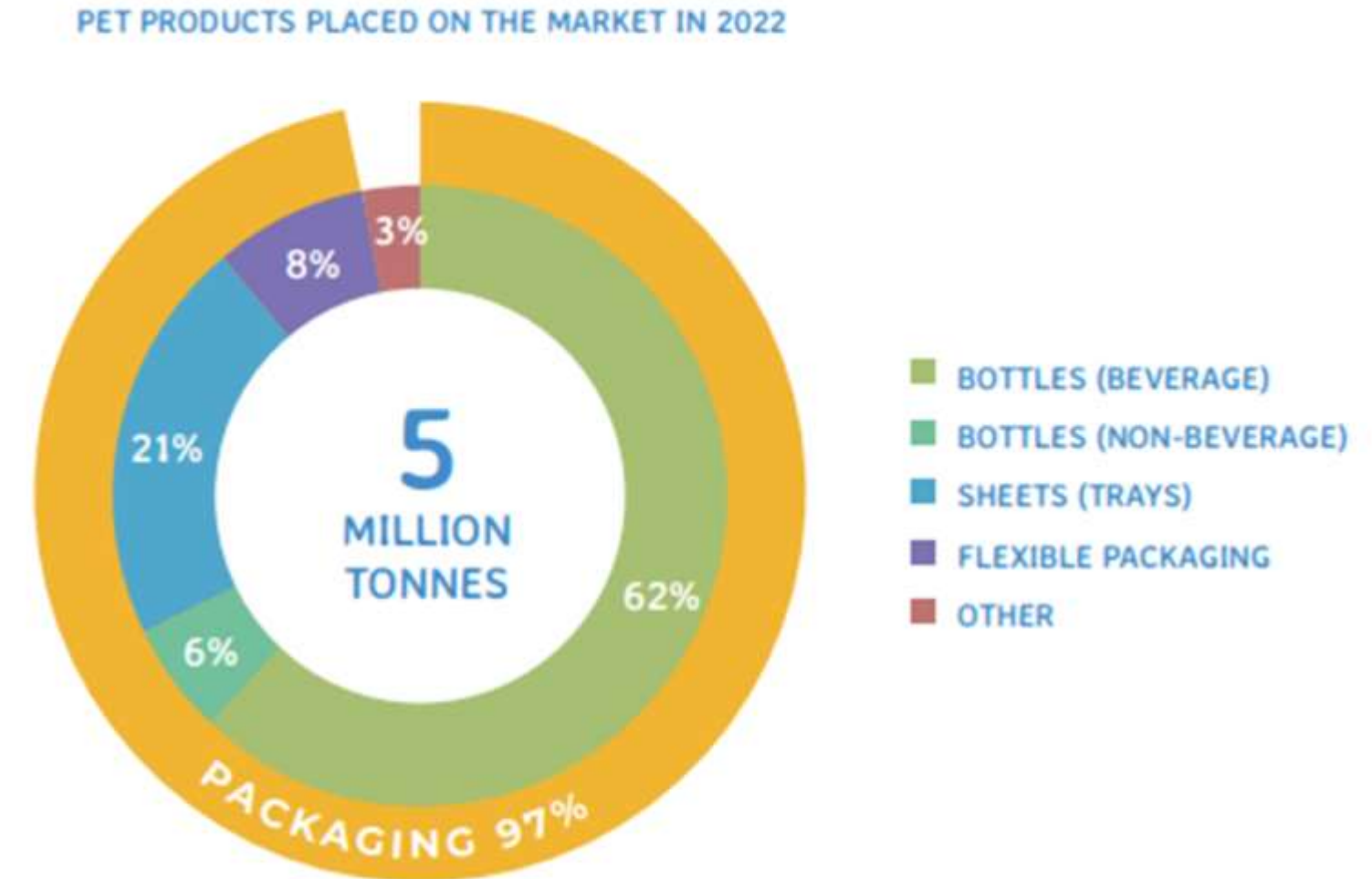
**2022 data, x2 vs 2017!**



- **PET COLLECTION RATE IN 2022 INCREASED TO 60%.**
  - 5 million tonnes of PET was utilized in packaging (bottles, sheet (trays), and flexibles) in EU in 2022. Of this, 3 million tonnes were collected, bringing the collection rate to 60%. **A vast majority of the collected PET packaging were bottles, accounting for 2.8 million tonnes**
- **EXTRUSION CAPACITY FOR rPET PELLET PRODUCTION DOUBLED TO 1.4 MILLION TONNES IN 2022**
  - Bale input to recyclers in 2022 was 2.6 million tonnes, an increase of 7% on 2020. Average utilization of wash and flake plant capacity was around 87%. The rPET flake production stood at 1.9 million tonnes (for all applications), of which over 1.2 million tonnes were pelletised via extrusion.
  - Germany accounts for the largest share with 630 kT/y capacity, followed by Spain & Portugal with more than 500 kT/y capacity and then by Italy, France and United Kingdom
- **TOTAL REGION RECYCLING CAPACITY TO MEET SHORT-TERM TARGETS BUT STRONG REGIONAL DISPARITIES**
  - Statistics indicate that the existing European recycling capacity is sufficient to meet the short-term targets (around 800,000 tonnes rPET is required to meet the Single Use Plastics Directive (SUPD) mandatory recycled content targets for 2025)

# EU Key Policy Drivers

- **Bottles. SUPD – Mandatory recycled plastic content targets for rPET and PO's in all beverage bottles as of 2030 (MS's level compliance)**
  - Rules on recycled content methodology for CR/MB recognition in discussion
- **Packaging. PPWR – Mandatory recycled plastic content targets of all plastic packages in EU as of 2030 onwards (producers level compliance)**
  - Rules on equivalence for imports to come by 2026
  - Rules on sustainable criteria for recycling operations to come by 2026
  - Rules on recycled content methodology to come by 2026
- **Textiles. The proposed mandatory and harmonised Extended Producer Responsibility (EPR) Schemes for textiles in all EU member states are expected to accelerate the circularity of textiles in EU.**





## Annex I: Minimum recycled content in plastic packaging - Comparison between PPWR and SUPD

Requirements related to minimum recycled content in plastic packaging are laid down in Art.7 of the [Packaging and Packaging Waste Regulation](#) (PPWR) and in Art. 6 of the [Single Use Plastics Directive](#) (SUPD). In short:

PPWR			SUPD		
	2030	2040		2025	2030
Contact sensitive packaging mainly in PET (Single use beverage bottles excluded)	30%	50%	Single use PET beverage bottles (*)	25%	
Contact sensitive plastic packaging other than PET (Single use beverage bottles excluded) (*)	10%	25%			
Single use plastic beverage bottles	30%	65%	Single use plastic beverage bottles (up to 3 litres capacity, incl. caps and lids) (*)		30%
Other plastic packaging (*)	35%	65%			
Minimum recycled content in plastic packaging calculated per packaging type and format, as an average per manufacturing plant and year (*) Derogation possible based on EC assessment by 1 Jan 2028			(*) Minimum recycled content calculated as average of the relevant type of bottle placed on the market on the territory of a Member State		

# Clarification from the EU Commission



## COMPLYING WITH RECYCLED CONTENT TARGETS

**Q:** Can the Commission elaborate on what is meant by 'calculated as an average per manufacturing plant' and how such approach will work in practice, e.g. in cases of co-manufacturing, production outsourced to a 3rd party?

How will this apply to manufacturing plants located outside the EU?

### Article 7

1. *By 1 January 2030 or three years after the date of entry into force of the implementing act referred to in paragraph 8, whichever is the latest, any plastic part of packaging placed on the market shall contain the following minimum percentage of recycled content recovered from post-consumer plastic waste, per packaging type and format as referred to in Table 1 of Annex II, calculated as an average per manufacturing plant and year:*

2. *By 1 January 2040, any plastic part of packaging placed on the market shall contain the following minimum percentage of recycled content recovered from post-consumer plastic waste, per packaging type and format as referred to in Table 1 of Annex II, calculated as an average per manufacturing plant and year:*



# Clarification to the EU Commission

## RESPONSE

*\* Outcome of an informal exchange between EUROPEN and the European Commission and legally non-binding*

## COMPLYING WITH RECYCLED CONTENT TARGETS

### Response\*:

The brand owner / packaging filler is always the one responsible for compliance. It should be noted though that the chain of custody approach set in Article 16 of the PPWR obliges suppliers to provide all the necessary information to the filler. In case of imports, it is the importer who is the liable actor.

‘Calculated as an average per manufacturing plant’ means the average output of a manufacturing plant. For example: if a manufacturing plant has 10 filling lines, some of the lines will maybe contain 10% recycled content, others 20%, others 0%. This is ok, provided that the output of all these lines together fulfill the targets.

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# Clarification from the EU Commission



## COLLECTION FOR RECYCLING

**Q:** Article 48(1) of PPWR mandates the collection for recycling of all packaging complying with Design for Recycling criteria.

Can the Commission elaborate on how this obligation will be made effective in practice, what are the obligations for Member States and the Producers Responsibility Organisations?

Should Member States miss their recycling targets, is there a mechanism to recognise that recyclability at scale has not been reached due to failure to reach those targets?

### Article 48

1. Member States shall ensure that systems *and infrastructures* are set up to provide for the return and separate collection of all packaging waste from the end users, in order to ensure that it is treated in accordance with Articles 4, 10 and 13 of Directive 2008/98/EC, and to facilitate its preparation for re-use and *high-quality recycling. Packaging complying with design for recycling criteria as established in delegated acts adopted under Article 6(4) of this Directive shall be collected for recycling.*



# Clarification from the EU Commission

## RESPONSE

\* Outcome of an informal exchange between EUROPEN and the European Commission and legally non-binding

## COLLECTION FOR RECYCLING

### Response\*:

No mechanism exists but in addition to the collection requirement in Article 48, Article 49 mandates Member States to adopt collection targets.

The implementing acts that the EC will adopt to define the recycled at scale assessment, and the granularity of the data to be reported by Member States, will also support this.

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# Clarification from the EU Commission



## PPWR SECONDARY LEGISLATION

**Q:** How and when will EU COM start working on the secondary legislation, and will work on secondary legislation for recyclability be prioritised?





# Clarification from the EU Commission

## RESPONSE

*\* Outcome of an informal exchange between EUROPEN and the European Commission and legally non-binding*

## PPWR SECONDARY LEGISLATION

### Response\*:

The EC is well aware of the list of secondary acts it is mandated to produce and the strict timelines that apply.

Efforts and resources will be dedicated as a priority to the secondary legislation that the EC must produce as per the PPWR (mandatory).



# Need to protect EU Competitiveness

 <p>ENRICO LETTA</p> <h2>MUCH MORE THAN A MARKET</h2>	 <p>The EU's plan to regain its competitive edge</p>	 <p>February 2024 ANT</p>
<p>HIGH-LEVEL REPORT ON THE FUTURE OF THE SINGLE MARKET</p>	<p>REPORT ON THE FUTURE OF EU COMPETITIVENESS</p>	<p>THE ANTWERP DECLARATION</p>
<ul style="list-style-type: none"><li>Published on 17 April, <a href="#">the report</a> puts forward proposals on how to tackle obstacles to the efficiency of the Single Market.</li><li>It highlights the need to address infringements more effectively and underlines the EU must prioritise shifting towards a circular economy.</li><li>EUROPEN provided direct inputs during the drafting phase</li></ul>	<ul style="list-style-type: none"><li>Mario Draghi provided an update on its report at the <a href="#">informal ECOFIN Council</a> on February 24</li><li>The report should be released at the end of June 2024, after the EU elections</li></ul>	<ul style="list-style-type: none"><li>EUROPEN co-signed the <a href="#">Antwerp Declaration</a> in April 2024</li></ul>



# PETCORE EUROPE ASKS

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- **IMMEDIATE POLICY LEVERS TO GET INDUSTRY ON TRACK AND UNLOCK INVESTMENTS.**
  - Mass balance/chemical recycling
  - Accelerating Authorization to manage new technologies.
  - Dialogue with industry
- **INCENTIVISE SUSTAINABLE BUSINESS MODELS AND CREATE DEMAND THROUGH LEGISLATION**
  - Recyclable & Recycled mandates
- **SAFEGUARDING THE COMPETITIVENES OF EUROPEAN INDUSTRY**
  - Funding
  - Competitive energy prices
  - Endorse trustworthy certification systems and standards for the sustainable sourcing of biomass feedstocks, including enforcing to imports
- **DEVELOP A WASTE MANAGEMENT SYSTEM FIT FOR A NET-ZERO CIRCULAR ECONOMY**
  - Expand separate waste collection/sorting
  - Reduce incineration, phase out landfill gradually

**Join PETCORE EUROPE to make the PET value chain  
voice even louder**