



PRESS RELEASE

How the myth of PET bottles downcycling could ruin European efforts toward packaging circularity

EU value chain organisations warn against “right of first refusal”

Brussels, 23 October 2023

Recent calls for the introduction of a priority access to recycled plastics, known as “right of first refusal”, have been increasingly taking space in the public debate on the Packaging and Packaging Waste Regulation proposal (PPWR). **EuRIC, PRE and FEAD alert that this provision, if implemented, would be detrimental to the development of recycling capacities in Europe, promoting monopolistic control of recycled polymers and going against free-market principles.**

This call originates in the claim of rPET shortage in the EU for the beverage sector, a call that will have an impact in the future on other recycled polymers. Supposedly this scarcity is a result of non-beverage industries, in particular the fibre market, using a significant share of food-contact recycled PET. However, since the introduction of the mandatory recycled content target for PET beverage bottles in the Single Use Plastics Directive, the share of the fibre market has dropped sharply. In 2022, it accounted for only 5 % of the total rPET market, as purchasing high-priced food-contact rPET is not financially viable for the fibre industry.

Consequently, **the right of first refusal intends to address an issue of availability which does not exist.** The PET recycling industry has already the capacity to satisfy the European rPET demand, as it has massively invested in costly food-contact recycling technologies, equalling to an increase of over 50 % between 2019 and 2022. The installed capacity for food-grade in 2022 was already at 1.4 million tons, while the beverage industry would require 800 thousand tons to meet the 25 % mandatory recycled content target in 2025, and about 1 million tons in 2030.

The greatest threat to packaging circularity today is the extremely low demand in the EU rPET and major prices fluctuations. The European rPET market is facing a surplus status, with very low demand from the beverage industry, consequently forcing European recycling plants to run well below their capacities¹. This is also linked, among other reasons, to an increase in imports of both low-

¹ <https://www.plasticsrecyclers.eu/news/pet-imports-to-impact-eu-recycled-content-targets/>





priced PET virgin and recycled PET.

Therefore, granting priority access to specific market players would result in a stable source of recycled materials to be used in certain categories of new packaging, but the beneficiaries of the priority access would be granted a monopolistic power to set prices for recyclates. **Recyclers would have no levers to negotiate recyclates prices at a sustainable level of profitability, and this would stop investment and innovation in the recycling industry.**

The current market challenges require a multifaceted approach that encourages competition and innovation, while addressing the existing systemic barriers. It is the crucial step in boosting further investments in recycling and the maturing of the market for recycled materials in the EU.

Ultimately, EuRIC, PRE and FEAD object to the introduction of the right of first refusal in the legislation. **The organisations urge addressing the fundamental bottlenecks in today's plastic packaging circular value chain - the insufficient collection of plastic packaging waste and the lack of design for recycling.**

Note to editor:

EuRIC

The [European Recycling Industries' Confederation \(EuRIC\)](#) is the umbrella organisation for the recycling industries in Europe. Through its 75 members from 23 European countries, EuRIC represents more than 5,500 large companies and SMEs involved in the recycling and trade of various resource streams. They represent a contribution of 95 billion EUR to the EU economy and 300,000 green and local jobs. By turning waste into resources, recycling reintroduces valuable materials into value chains over and over again. By bridging circularity and climate neutrality, recyclers are pioneers in leading Europe's industrial transition.

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FEAD

FEAD is the European Waste Management Association, representing the private waste and resource management industry across Europe, including 18 national waste management federations and 3,000 waste management companies. Private waste management companies operate in 60% of municipal waste markets in Europe and in 75% of industrial and commercial waste. This means more than 320,000 local jobs, fuelling €5 billion of investments into the economy every year.

For more information, please contact: info@fead.be

PLASTICS RECYCLERS EUROPE

Plastics Recyclers Europe is an organization representing the voice of the European plastics recyclers who reprocess plastic waste into high-quality material destined for production of new articles. Recyclers are important facilitators of the circularity of plastics and the transition towards the circular economy.

Plastics recycling in Europe is a rapidly growing sector representing over €8.7 billion in turnover, 11.3 million tonnes of installed recycling capacity, more than 730 recycling facilities, and over 30.000 employees.

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