



EESC public hearing on the EU Plastics Strategy 10 April 2010

Good morning ladies and gentlemen. My name is Nadine De Greef, Secretary General at FEAD. First of all, I would like to thank the organisers for their kind invitation to have me as speaker.

Let me begin by introducing FEAD. FEAD is the European Federation representing the private European waste and resource management industry. FEAD represents members in 18 EU Member States, Norway and Serbia. FEAD members have an approximate 60% share in the household waste market and handle more than 75% of industrial and commercial waste in Europe. FEAD represents about 3,000 companies with activities in all forms of waste management. They play a key role in the transition to a circular economy by producing resources which can be re-injected in the economy and by supplying energy. In doing so, they play a key role in achieving the best economic and environmental outcomes.

FEAD members welcome the publication of the **Plastics Strategy** as a step forward for designing a new vision for plastics as part of the transition to a circular economy. The target set by the EC to ensure that by 2030 all plastics packaging placed on the EU market can be reused or recycled in a cost-effective manner and the upcoming legislative initiative on single-use plastics are steps in the right direction. Our members consider however that a robust legislative framework is needed to turn the many actions of the Plastics Strategy into reality.

Turning the vision of **a new plastics economy** into reality will require joined efforts across the entire plastics value chain: we should not only look at end-of-life stage to make this transition happen. Plastic products need to be **designed for recycling**, this will not only improve the economics but also the quality of plastics recycling. Moreover, investments need to be done so as to innovate and expand the collection, sorting and recycling capacity at EU level. Our industry is prepared to make the necessary investments if there are concrete measures ensuring a significant uptake of plastic recyclates. This has

become even more urgent since the announced ban on imports of certain waste streams and standards restrictions by China.

A strong demand for recycled plastics can only be based on *concrete binding actions*, accompanied by economic measures to bridge the price gap detrimental to plastics from recyclates. Such concrete measures still need to be developed. We are thinking in particular at:

- Legislation promoting minimal recycled plastic content in certain packaging/products
- Green public procurement which needs to be intensified and the use of recycled content actively promoted in various public tenders
- Fiscal incentives to boost demand such as lower or zero VAT rates on products with recycled content or a carbon tax. Externalities associated with the extraction and processing of virgin raw materials should be factored into their price.

With great interest, we are following the initiative by the European Commission urging the industry to come up with **voluntary pledges** to ensure that by 2025 ten million tonnes of recycled plastics find their way into new products on the EU market every year. Voluntary industry agreements to contribute to a better uptake of recycled plastics are welcome but they are hardly the basis for a robust, long term European market, which is a pre-requisite for innovations and the required huge investments. Therefore, FEAD members are happy to hear the firm approach from the Commission to start working on possible next steps, in particular on a regulatory action, if voluntary pledges seem insufficient.

We carefully analysed the recently published draft own-initiative report prepared by the Rapporteur Mark Demesmaeker (MEP) and are happy to see a strong focus on the need to create resilient markets for recycled plastics thereby underlining the need for mandatory rules on recycled content for specific products in order to drive the uptake of SRM. Indeed, we need to ensure that the higher volumes of recycled plastics find an outlet. The focus on raising quality standards for sorted and recycled plastics is also important to create confidence by manufacturers who need quality and supply certainty.

Raising quality will come at an increased cost to cover the additional processing.

It is therefore important that plastic products are designed in such a way that they become more easily recyclable. Today, there is a large variety of polymers, additives and pigments. Whereas the intended function of the product needs to be maintained, it will become essential to improve the quality and economics of plastics recyclates to achieve massive results (beyond PET-bottle recycling).

In this context, FEAD members very much welcome the accelerated work on the interface aspects between chemicals, waste and product policies. The development of a reliable set of procedures and specifications, defining the presence of substances of concerns in products (“legacy substances”) must be available for recyclers and users. Design for recycling and better information on the presence of substances of concern will optimise the work of waste operators and ensure safe recycling.

FEAD welcomes the fact that the Plastics Strategy comprises several elements aiming at driving innovation and investment towards circular solutions.

We strongly believe that the EU should take the lead on providing global solutions for a transition towards a low-carbon and circular economy. As professionals, FEAD members have the skills and the experience to work with partners across the entire value and to cooperate with product designers and other industry sectors so as to ensure an increased use of recycled plastics.

Ladies and Gentlemen, thank you very much for your attention!