**Views of the Packaging Supply Chain on Fiscal Measures related to Packaging Materials and Applications**

July 2020

A number of EU Member States have introduced or are considering the introduction of taxation systems on certain packaging materials and applications. In parallel, the European Council is discussing the introduction of an EU-wide levy on non-recycled plastic packaging waste, as part of the negotiations on the EU Multiannual Financial Framework (MFF) for the period 2021-2027. This levy may be translated into new taxation schemes at national level.

The undersigned organisations fully support the policy objectives laid down in the European Green Deal to ensure that all packaging is reusable or recyclable by 2030. Striving towards these goals requires significant investments from the packaging supply chain and from public authorities. However, we are concerned about the possible introduction of new or additional fiscal measures on packaging. We strongly believe that further fiscal measures are not the most efficient tool to drive innovation and investments that are needed to meet the intended policy objectives of the Green Deal.

## Earmark revenues for waste management technologies and infrastructures

Fiscal measures on packaging materials and applications, whether at national or EU level, risk hampering national authorities' efforts to move towards a truly circular economy and improve waste management systems across Europe. In the absence of earmarking revenues, there is no guarantee that the resources collected through such fiscal instruments will be reinvested into better collection, sorting and recycling infrastructures needed to increase the amount of packaging that is effectively recycled.

If the EU levy on non-recycled plastic packaging waste is introduced, the undersigned organisations call for a budget equal to the expected revenues to be reinvested to support packaging circularity, including improvements in recycling technologies and waste management infrastructures at national level. This could be done through the introduction of a supplementary and dedicated budget line in the MFF or the 'Next Generation EU' fund.

## Prevent diversion of investments

If fiscal measures on packaging materials and applications are considered, careful design and calibration will be essential to avoid undermining industry's ability to continue investing in more sustainable packaging solutions, recycling technologies and waste infrastructures. This requires taking into account the costs borne by packaging users as a result of existing legislation as well as financial commitments linked to voluntary pledges across the packaging value chain. Packaging users are already paying fees towards Extended Producer Responsibility (EPR) schemes, which are set to increase considerably, in particular under the new EU waste legal requirements to boost packaging recycling (EPR fee eco-modulation).

## Support circularity while safeguarding the Single Market

If fiscal measures to incentivise circularity of packaging materials and applications are considered, they should aim to drive the increased availability of high-quality recycled materials across the EU at affordable prices to be reintroduced in the value chain. In particular, they should encourage and reward the uptake of sustainable materials, for instance through a digressive scale or exemptions for recycled materials to enable packaging users to close the loop of circularity. It is also essential that such measures are non-discriminatory and avoid distortions and fragmentation of the EU Single Market.

→*See next page for signatures*

The undersigned organisations are as follows (in alphabetical order):

ACE - The Alliance for Beverage Cartons and the Environment

AGMPM - Association of the Greek Manufacturers of Packaging and Materials

AGVU - Arbeitsgemeinschaft Verpackung und Umwelt e.V., Germany

AIM - European Brands Association

A.I.S.E. - The International Association for Soaps, Detergents and Maintenance Products

ARAM - Association for Packaging and the Environment, Romania

Assografici - Italian Association of Printing and Paper Converting Industries

BPF - British Plastics Federation

CEFLEX - Circular Economy for Flexible Packaging

CEPI - Confederation of European Paper Industries

CICPEN - Industrial Coalition on Packaging and the Environment, Czech Republic

CITPA - The International Confederation of Paper and Board Converters in Europe

Cosmetics Europe - The Personal Care Association

CPME aisbl - Committee PET Manufacturers Europe

ECMA - European Carton Makers Association

EDANA - The voice of European nonwovens industry

EFE - Embalaje Flexible España Flexible Packaging Association Spain

EKO-PAK - Packaging Industry Union of Employers

ELIPSO - Les entreprises de l'emballage plastique et souple, France

Emballasje foreningen- Norwegian Packaging Association

EUPB - European Plastics Converters

EuPC - European Plastics Converters

EUROPEN - The European Organization for Packaging and the Environment

FoodDrinkEurope - The organisation of Europe's food & drink industry

Flexible Packaging Europe

GIFLEX - Italian association of flexible packaging producers, Italy

IK - Industrievereinigung Kunststoffverpackungen e.V, Germany

INCPEN - The Industry Council for Packaging & the Environment

Independent Retail Europe

INTERGRAF - European Federation for Print and Digital Communication

Miljöpack – The Trade & Industry Group, Sweden

Nederlandse Cosmetica Vereniging

Pakkaus - Packaging Association, Finland

PCEP – Polyolefin Circular Economy Platform

Petcore Europe

PlasticsEurope - Association of Plastics Manufacturers

Sociedade Ponto Verde, S.A. – Packaging Recovery Organisation, Portugal

REPAK - Packaging Recovery Organisation, Ireland

Romanian Union of Cosmetics and Detergents Manufacturers

SEPEN - Serbian Association for Packaging and Environmental Protection

SZZV - Slovenské združenie pre značkové výrobky

UNESDA - Union of European Soft Drinks Associations