



**Cepi ContainerBoard**



**CEPI EUROKRAFT**  
European Producers of Sack Kraft Paper and Kraft Paper



**Ep Embalpack**

**FEFCO**



Brussels, 16 November 2017

**First Vice President  
Timmermans**  
European Commission

**RE: Plastics Strategy**

***Dear First Vice President Timmermans,***

The undersigned organisations are writing to express deep concern over the European plastics strategy currently under development. Based on drafts released by the media, we believe the strategy seriously risks: 1) being developed in silos of plastics without a systemic view, 2) failing to respect the principle of technological/material neutrality and having serious unintentional and unassessed consequences for competing materials and technologies that may in some cases perform better in terms of environmental impacts and circularity and 3) missing the opportunity to drive a low-carbon circular economy. Representing sectors that both compete and work with plastics, we would call upon you to take corrective measures, including the concrete requests for actions listed below before the Commission moves to adopt the strategy.

***1) The strategy is being developed in silos of plastics without a systemic view***

Plastic materials compete on the market with many other materials with similar or better functionalities and similar or lower negative impact. We strongly believe that the silo approach adopted by the Commission – ignoring interactions, market mechanisms, competition, implications on the whole packaging value chain – will have serious unassessed and unintended consequences and does not ensure fair and equal treatment of all materials. In our view, the draft plastics strategy fails to consider and assess the value chain systems both within the petrochemical industry and even more so in the wider economy. Our observations include:

- the evident market failures of plastic prices; instead the strategy seems to suggest introducing more financial support mechanisms despite the fact that oil and gas subsidies in the EU are significant and have been growing in the OECD at a much higher rate than the growth of GDP<sup>1</sup>;
- the potential to substitute plastics by better alternatives for some applications;

---

<sup>1</sup> OECD Green Growth Indicators, 2017: \$300 bn is spent in fossil economy subsidies in the EU

- the potential to replace fossil feedstock by alternative feedstocks (to name but one, sustainable lignin<sup>2</sup>);
- the sourcing element as circularity is not only about recycling but about the sustainable production of input material; sustainable sourcing is a growing concern and already a legal requirement for other technologies;
- the market impacts for other solutions, materials and products;
- other key policies such as climate change, mobility or bio-economy.

The undersigned deeply regret that - despite several attempts to be heard - they have not been allowed to contribute to the discussion on the strategy.

*We would call for the Commission to incorporate the following elements in the plastics strategy:*

- I. Interaction of the many connected policies, including low-carbon bioeconomy.*
- II. Implications for competing technologies and materials to ensure fair competition and a level playing field.*
- III. A holistic view reflecting the reality where plastics are not addressed in isolation and a dynamic understanding of the sectors involved and impacted by the strategy.*
- IV. Assessment of the systems of value chains within the petrochemical industry, with a view to subsidies for fossil-based plastics and in the wider economy.*
- V. Assessment of the petrochemical industry as a resource.*
- VI. Improved assessment of alternative feedstocks, including existing by-products from other sectors and their accessibility, and symmetry in assessing traditional fossil feedstocks' environmental impacts.*
- VII. Our industry should be included in the platforms which will be established to discuss and implement this strategy as it will have a direct impact on us.*

## **2) The strategy risks failing to respect the principle of technological neutrality**

The measures proposed in the draft plastics strategy and the associated financial and other support would fail to respect the principle of technological neutrality and non-discriminatory policy. And this, notwithstanding that circular economy targets would remain lower for plastics than for other materials.<sup>3</sup>

We find it unfair to have a strategy that rewards the laggards whilst other materials who have done the work and paid for it themselves in the past decades risk being penalised. It would be a strange outcome if the final strategy were to favour a material that remains problematic over less problematic ones.

*We would call for the Commission to incorporate the following elements in the plastics strategy:*

- VIII. Full respect of the principle of technological neutrality in a fair and equal approach.*
- IX. Reserving an equal amount of public funding for other solutions, materials and technologies as will be the case for plastics.*

<sup>2</sup> The volume of sustainable lignin, a by-product of cellulose pulp production, would alone be about 80% of the European plastics demand (40 million tonnes and 49 million tonnes respectively in Europe, per annum); in theory, that source alone could replace 80% of European plastics

<sup>3</sup> For instance, using comparable calculation (recycling volume divided by consumption), all paper is recycled at the rate of 72,5% whilst plastics recycling rate is 15.6%; even if the strategy's vision is to double the rate of plastics recycling, it would still be less than half of that by paper and many other materials

- X. *Acknowledgment and promotion of sustainable substitution by competing solutions, materials and technologies; more sustainable packaging materials should be preferred when there is a choice.*
- XI. *Assessment of, and setting policy requirements for, plastics with metrics and boundaries comparable to competing technologies; targets set for plastic materials have to be set on a par with targets for other materials.*
- XII. *Consideration of the full life cycle of plastics, including upstream sourcing of feedstocks (both alternative and traditional).*

### **3) The strategy misses an opportunity in a low-carbon and circular economy**

The strategy misses an opportunity to combine a drive for resource efficiency and a move away from non-renewable resource use. As highlighted by President Juncker and the Industrial Policy Strategy released by his Commission, the aim is to build a low-carbon circular economy.

The potential offered by the bio-based economy should be considered alongside the potential to streamline the plastics value chain and make it more efficient. The US public procurement strategy for bio-based materials and products has had a significant positive impact in terms of growth and jobs<sup>4</sup>: similarly the public procurement in Europe should first consider sustainable substitutes to plastics.

*We would call for the Commission to incorporate the following elements in the plastics strategy:*

- XIII. *To ensure that public procurement rules or economic incentives are fair, proportionate and not unduly supporting a material, such as recycled plastics, instead of choosing other solutions, materials and technologies, in particular renewable or already highly recycled, over fossil-based plastics.*
- XIV. *Indeed, we would call for the Commission to incentivise industry to encourage companies to choose more sustainable, renewable materials in the first place when selecting their packaging materials. This might be through taxation on the use of plastic or providing positive incentives to use more sustainable materials.*

We share a common aim: producing a sustainable circular European economy. The buy-in of the wider economy and society in general for the plastics strategy prepared by the European Commission would require a much more holistic and systemic approach and respect of the principle of technological neutrality by giving a fair and equal treatment to all sectors. At the same time, the plastics strategy should be seized as an opportunity to bring the plastics industry on a par with other industry sectors regarding responsible performance, not least to protect the marine environment and other water bodies.

We remain at your disposal to discuss the matter further and will be in contact with your respective teams of Commissioners in order to support the development of the strategy.

Kind regards,

**CITPA**, International Confederation of Paper & Board Converters

**CEPI**, Confederation of European Paper Industries

**ACE**, The Alliance for Beverage Cartons and the Environment

**CEPI CONTAINERBOARD**, European Producers of corrugated case materials

**CEPI EUROKRAFT**, European Producers of Sack Kraft Paper and Kraft Paper

---

<sup>4</sup> The US Congress report summarised the positive value added, job creation and environmental benefits [https://www.biopreferred.gov/BPRresources/files/EconomicReport\\_6\\_12\\_2015.pdf](https://www.biopreferred.gov/BPRresources/files/EconomicReport_6_12_2015.pdf)

**ECMA**, European Carton Makers Association  
**EMBALPACK**, European Association of Makers of Packaging Papers  
**EMFA**, European Moulded Fibre Association  
**EUROSAC**, European Federation of Multiwall Paper Sack Manufacturers  
**FEFCO**, European Federation of Corrugated Board Manufacturers  
**PRO CARTON**, European Association of Carton and Cartonboard Manufacturers

**CC: Commission Vice-President Katainen, Commissioners Moedas, Vella, Bienkowska  
Secretary General of the Commission  
Director Generals of DG Grow, DG RTD, DG ENV**

**CONTACT DETAILS:**

This letter has been approved by the listed European associations, coordinated via:  
CEPI, Confederation of European Paper Industries  
Avenue Louise 250  
1050 Brussels  
[mail@cepi.org](mailto:mail@cepi.org) +32 2 627 49 11