Turning the Tide: Six Strategic Actions to Safeguard Europe's Plastics Sector

Plastainability 2025

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Context

- Europe's plastics industry is a cornerstone of manufacturing and innovation, employing over **1.5 million people** and operating across thousands of SMEs.
- Yet the industry is under severe strain, from regulatory, economic, and competitive pressures.

Context

- **1. Competitiveness Crisis**
  - Production costs in Europe, especially **energy and raw materials,** remain significantly higher than in other global regions.
  - Imports of **low-cost finished and semi-finished plastic products** are increasing, often produced under weaker environmental standards.
  - European converters face shrinking margins and risk **relocation or closure**, threatening industrial jobs and investment.

- **2. Regulatory Fragmentation**
  - Inconsistent **implementation of EU law** across Member States creates uncertainty and administrative burden.
  - Divergent national rules on **recycled content**, **EPR schemes**, and **waste classification** fragment the Single Market.
  - Complex and lengthy **permitting and reporting** processes discourage investment in recycling infrastructure.

Context

- **3. Energy and Climate Pressures**
  - High **electricity and gas prices** undermine competitiveness, especially for energy-intensive recycling and conversion operations.
  - Access to **State Aid** and **green transition funding** remains limited for plastics, despite its key role in circularity.

- **4. Trade and Enforcement Gaps**
  - Weak **border controls** and **unequal enforcement** allow imports of non-compliant materials and products.
  - Lack of **traceability** and clear **customs codes** makes it difficult to verify recycled content or chemical compliance.

- **5. Investment and Innovation Barriers**
  - Uncertainty around **regulatory timelines** and **technology recognition** delays innovation.
  - Lack of coherent incentives for **mechanical, chemical, and emerging recycling technologies**.

Strategic Recomendations

In response, **the entire plastic value chain,** including waste management operators, recyclers, raw material producers, and plastics converters, put forward in September a **set of strategic recommendations** to shape a forward-looking agenda to foster industrial competitiveness, strengthen supply chain resilience, and **secure a sustainable, circular, and innovation-driven plastics economy** for Europe.

Strategic Reccomendations

- **1. Restore Fair Competition**
  - Promote the uptake of **EU-made recycled plastics** through incentives and procurement reform.
  - Introduce **mirror measures on imports** and ensure equal environmental standards for imported products.
  - Increase investment in **collection, sorting, and recycling** infrastructure.
  - Encourage **Green VAT**, **EPR bonuses**, and stricter limits on **landfilling and incineration**.
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- **2. Cut Energy Costs**
  - Classify plastics conversion and recycling as **energy-intensive industries (EIIs)**.
  - Ensure access to support under **NZIA**, **CISAF**, **IDAA**, and **CEEAG**.
  - Enable **affordable energy contracts**, **tax relief**, and **State Aid** linked to CO_2 savings and circularity.
  - Reinvest **ETS and Plastics Own Resource revenues** into a **dedicated Competitiveness Fund**.

Strategic Reccomendations

- **3. End Loopholes in Verification and Enforcement**
  - Strengthen **Customs and market surveillance authorities** through better resources and training.
  - Create **distinct customs codes** for fossil, bio-based, recycled, and carbon-captured materials.
  - Establish **EU-wide verification and certification** for recycled content and product compliance.
  - Apply **REACH and food-contact safety rules** equally to imports.
- **4. Tackle Fragmentation**
  - Ensure **uniform enforcement** of EU law and recycled content targets across Member States.
  - Simplify **permitting and reporting** to reduce delays and costs.
  - Adopt **EU-wide End-of-Waste criteria** and harmonised audits.
  - Increase resources for **EFSA and national authorities** to fast-track approval of new recycling technologies.

Strategic Reccomendations

- **5. Break the Deadlock – Catalyse Innovation**
  - Support **investment in advanced recycling and sorting technologies**.
  - Develop a **predictable, innovation-friendly regulatory framework**.
  - Coordinate governance between **EU and national levels** to avoid duplication.
  - Build a **unified circular plastics market** with transparent rules and strong investor confidence.

- **6. Enhance EPR for a Fair Circular Market**
  - Harmonise **EPR definitions, rules, and eco-modulated fees**.
  - Reward **design-for-recycling** and use of recycled content.
  - Ensure **independent governance** of Producer Responsibility Organisations (PROs).
  - Prevent **fee-based competition** that promotes minimal compliance.
  - Involve the **entire value chain** in EPR governance structures.

Conclusion – A Call to Secure Europe’s Industrial Future

EUPC

- Europe stands at a decisive moment for its plastics value chain.
- Without urgent action, **competitiveness, jobs, and circularity goals** are at risk.
- Enforcing rules, investing strategically, and creating fair market conditions are prerequisites for success.
- These recommendations form a **blueprint for a resilient, circular, and globally competitive plastics industry** that strengthens Europe’s strategic autonomy.

Thank you for your kind attention

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