

Subject: Right of first refusal - PPWR ENVI Draft Report

Dear MEP Ries,

The undersigned associations represent various actors in the plastic value chain, including users of recycled materials, the waste management sector and recycling activities. Following the publication of the ENVI draft Report amending the Commission's proposal,¹ we are deeply concerned about several amendments allowing for the creation of a market mechanism giving prioritised access to recycled raw materials to a limited number of players, such as beverage bottles' producers.

Granting prioritised access to a specific group of actors – also referred to as 'the right of first refusal' – will lead firstly to a restriction of the EU internal market for plastics recyclates, by preventing players in a free market to compete on a level playing field, which is directly breaching EU competition law rules.² Secondly, it will weaken all the work carried out by the plastics waste management sector to produce high-quality recyclates, while hindering any increase in the quality of recycled plastics and thereby, the maturing of the market for secondary raw materials in the EU.

The main bottlenecks faced by the plastics recycling industry are systemic barriers, which will not be solved with the establishment of a 'closed loop recycling' system based on monopolised access to plastics recyclates and at prices that may be to the exclusive advantage of beverage producers. A restriction of access paired with lower prices would strongly impact plastics recyclers, by dis-incentivising the investments in this sector.³

In fact, recycled plastics from packaging waste do not always result in a suitable quality to be used back into closed-loop applications. Rather than the right of first refusal that would lead to severe market distortions, the focus should instead be put on increasing the quality and uptake of rPET in food applications via effective measures targeting packaging design and waste collection.

A focus on design for recycling, for example, considering the use of additives and colours (e.g., only light/transparent colours can be used back in the same packaging category), and on harmonized separate

¹ [COM\(2022\) 677 final](#).

² Art. 101-109 TFEU.

³ In 2019, FEAD estimated that in the following 10 years, waste management industry was ready to invest 1 billion euros.



collection systems (e.g. via 90% separate collection targets, already close to be achieved by some MS, or by introducing DRS for specific packaging formats) would help overcoming these systemic barriers.

On a pure economic perspective, given the high investments made to recycle plastics waste into food contact grade recyclates and the premium for recyclates destined for food contact applications, recyclers have already today no incentives to sell their output to other end applications.

The undersigning associations call on the European Parliament to maintain the access to plastics recyclates to all actors in the value chain, thus enabling the proper functioning of the EU's internal market for plastics recyclates, as a key driver to achieving the transition to a circular economy.

We look forward to your reply.

Yours sincerely,



ABOUT

CIRFS

CIRFS is the association of Europe's € 11 billion man-made fibres industry, representing the industry to European authorities and providing the industry with a wide range of services. Its members cover about 80% of European man-made fibres output. The European man-made fibres industry, with a total production in 2021 of ca. 4.5 million tonnes, is the world's second largest in terms of output and one of the global leaders in terms of innovation and quality.

www.cirfs.org

EuPC

European Plastics Converters (EuPC) is the leading EU-level trade association, based in Brussels, representing European plastics converting companies. Plastics converters use plastics raw materials and recycled polymers to manufacture new products. EuPC totals about 45 national as well as European plastics converting industry associations and represents more than 50,000 companies, producing over 50 million tons of plastic products every year. The European plastics industry makes a significant contribution to the welfare in Europe by enabling innovation, creating quality of life to citizens and facilitating resource efficiency and climate protection. More than 1.6 million people are working in EU converting companies (mainly SMEs) to create a turnover in excess of € 260 billion per year.

www.eupc.org

EuRIC

EuRIC is the Confederation representing the interests of the European recycling industries at EU level. EuRIC, through its various Branches covering the vast majority of waste streams, brings together National Recycling / Resource Management Federations and Companies in lieu from more than 23 European countries active locally and globally.

EuRIC represents across Europe over:

§ 5,500+ companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;

§ 300,000 local jobs which cannot be outsourced to non-EU countries;

§ Million tons of waste recycled per year (metals, paper, plastics, WEEE, ELVs, tyres, textiles, glass and beyond).

By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again. Recyclers play a key role in bridging resource efficiency, climate change policy and industrial transition.

www.euric-aisbl.eu

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.

www.plasticsrecyclers.eu