

## Our position

# Plastics strategy: how can industry contribute?

## Building a resource-efficient and circular economy



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €2 trillion in 2017, directly supports more than 4.7 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## 1. Introduction: material neutrality favours circularity

The American Chamber of Commerce to the European Union (AmCham EU) warmly supports the European Commission's commitment to transform Europe into a more circular and resource-efficient economy. The plastics strategy is a great opportunity for industry to develop a global leadership in new technologies and materials, while embracing new business models. Plastics are widely used across all value chains, as they meet the demands of modern societies and contribute to the sustainability of products due to their innovative properties and competitive costs. Plastics should however not end up in the wrong place and certainly not in the environment. Issues related to littering and the environment must therefore be addressed, if the material is to achieve its full potential in a circular economy.

The plastics strategy identifies policy options to increase the re-use and recycling of plastics in Europe. Material and technology neutrality, and a sectoral approach that does not fragment the Single Market, will be paramount to its success. Product requirements vary from one sector to another and manufacturers should retain the ability to choose the best materials for their needs. To fully reflect the benefits that plastics bring to society, the Commission should consider all stages of a product's life, including the use phase and the proper disposal of plastic waste.

## 2. The diversity of plastic materials is needed to cater to market needs

The future legislative or regulatory proposals that will stem from the plastics strategy need to remain technology and material neutral. The objective is clear and accepted by industry, but value chains must be free to decide which materials to use depending on the specific product needs and the end-use quality requirements.

For instance, when choosing the appropriate material for their products, manufacturers take many variables into account. Product functionality, safety, quality and availability of the resin, cost, consumer preferences and demand, are all among the key elements that need to be considered. Currently, there are some cases of successful uses of recycled plastics e.g. rPET. However, in the vast majority of cases or applications, the overall use of recycled plastics remains low, as it is technically and economically extremely challenging to meet end users' current functionality requirements, including health and safety standards.

It will be vital to have a high-quality feedstock, in order to create a robust secondary raw material market with valuable materials. This is why the collection of plastic waste is key and is so closely linked to innovation. AmCham EU members see a strong need for more support to develop a true market for secondary raw materials, in particular through the development of technical standards, which will give recycled plastics a prominent place in the market alongside virgin materials.

Today, the amount of recycled plastics has not reached the necessary scale yet. An ambitious plastics strategy therefore requires strong research and development instruments, in order to bring to the market innovative and economical recycling technologies. These new technologies, such as chemical recycling, will need to address the technological challenges at raw material production phase and increase both the quantity and quality of recycled plastics. Innovative

technologies will help achieve the EU's policy objective to improve the quality of the recycled plastics and their market uptake.

The economics and quality of plastic recycling can be also improved through better product design. Innovation should be based on eco-design, with the overriding goal being to reduce the negative environmental impacts over the entire lifecycle of a product. EU policy actions should focus on innovative technologies which improve waste management and subsequently the quality of recycled plastics. As noted above, secondary plastic materials derived from innovative recycling technologies have the future potential to ensure high-quality standards.

Stronger enforcement of existing EU legislation is of equal importance. AmCham EU therefore welcomes the adoption of a renewed and strengthened waste package. The collection rate must be improved through a stricter implementation of the new EU waste legislation. Awareness-raising campaigns have an important role to play in helping to change behaviour and increasing the understanding of the importance of proper and responsible disposal of waste. However, these efforts of awareness raising need to reach more than the consumer; it is also important to increase awareness throughout the value chain so that the most resource-efficient products are developed and that mindful product design prevails.

Product bans or restrictions do not address the root causes of littering, as the problem is mainly the result of a combination of improper waste management and improper disposal behaviour. Single-use products have brought significant contributions to quality of life and even resource efficiency. In most cases, single-use items have proven to be an answer to market needs for hygiene, consumer safety, product preservation and practicality. When properly disposed of, they can also be recovered at the end of their life. Their positive contribution should therefore not be discounted and alternatives need to be encouraged only if their environmental impact over the entire life cycle of the product is lower. Banning or calling for reductions in the use of certain types of products or products made of specific materials, will not achieve the required structural changes needed to build the foundations for a truly sustainable and resource-efficient economy. Instead, initiatives at EU level should stimulate the delivery of practical solutions and innovations that drive an increasingly circular, resource-efficient and competitive Europe, while preventing the leakage of any waste into the environment.

### **3. Business supports global initiatives paving the way to plastics leakage solutions**

AmCham EU firmly believes in the importance of protecting the aquatic and marine environment and therefore welcomes the European commitments to significantly reduce marine pollution. The industry equally recognises the sense of urgency to tackle these environmental challenges.

With marine litter being a global issue, solutions must be developed on a global level and then adapted and implemented at regional/national level. Greater commitment to public education and outreach, partnerships with local governments, communities and industry, will all help reduce the amount of waste found in the environment. Industry initiatives, such as those taken by the World Plastics Council in collaboration with international institutions such as the UN, demonstrate how industry is acting on its commitment to tackle the issue.

AmCham EU therefore welcomes a strengthened cooperation at international level to efficiently address the global challenges that are posed by microplastics. At EU level, the Commission has requested the European Chemicals Agency (ECHA) to prepare a REACH 'restriction' dossier to examine the impact of 'intentionally-added microplastics'. Industry is confident that REACH is the proper, science-based, regulatory instrument to assess the potential impact of intentionally-added microplastics. Following the REACH process would ensure a common definition of (micro)plastics and, if found necessary, a common list of substances to be restricted across the EU. This would correct the current situation where national legislation from a few EU Member States, with different definitions and different scopes, undermine the integrity of the single market.

Given that the REACH restriction process has already started, AmCham EU believes that the European Parliament and the Council should not amend upcoming European Commission proposals (on single-use plastics, for example) to include microplastics. This doubles the work already being undertaken by ECHA and could lead to contradicting legislation in Europe.

We believe that the immediate objective of ECHA must be to provide a proper and acceptable definition of microplastics. The absence of such a definition would generate regulatory uncertainty should any potential REACH restriction be proposed and not allow a proper risk identification. Ultimately, any eventual restriction will also need to be proportional and based on scientific evidence showing that it will properly mitigate any risks for health and the environment.