Bruxelles, 17 December 2024

Ms. Ursula von der Leyen
President of the European Commission
Rue de la Loi 200, 1049, Brussels, Belgium

Cc:

Ms. Teresa Ribera Rodríguez, Executive Vice-President for a Clean, Just and Competitive Transition
Mr. Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy
Ms. Jessika Roswall, Commissioner for Environment, Water Resilience and a Competitive Circular Economy
Mr. Maroš Šefčovič, Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency

Subject: Industry Call for Safeguarding European Plastic Value Chain Competitiveness

Dear President von der Leyen,

The transition to a circular economy is the EU's flagship initiative towards achieving climate neutrality by 2050. With 53,000 companies employing 1.5 million people and generating €400 billion in turnover, the plastic industry - encompassing a wide range of stakeholders from raw material producers to waste management companies - stands at the forefront of this transition. It is pivotal in reducing the EU's greenhouse gas emissions, improving product design to facilitate recycling, and developing efficient and effective plastic waste management technologies.

The plastic value chain's continuous innovation has led to significant advancements in recyclability, resource efficiency, and reduced environmental impact. As a versatile and durable material, plastics are indispensable across various sectors, including packaging, healthcare, automotive, aerospace, electronics, construction and defence, often outperforming alternatives in both functionality and sustainability. In this context, plastics are also vital for achieving the EU's broader economic goals and safeguarding its industry competitiveness.

Need for Strategic Action

Despite significant progress under the Green Deal and the Circular Economy Action Plan, the EU plastic value chain is at a crossroads. Persistent challenges - such as market instability, legal uncertainties, and regulatory inconsistencies - threaten the sector's resilience and drive de-industrialisation.

Europe's share of global plastics production has fallen from 28% in 2002 to 14% in 2022, while at the same time the growth of recycling capacities is stagnating with a drop in increase from 16% in 2021 to 6% in 2023. Without decisive action to offset this decline, Europe risks losing its leadership in plastics innovation and on a broader industrial base.

The EU institutions must therefore take concerted and strategic action to maintain and enhance Europe's leadership in plastics and plastics circularity. The below-listed vital areas, which should be prioritised in the new EU Circular Economy Act and the Clean Industrial Deal, outline where immediate efforts are needed to strengthen the value chain’s position and promote a resilient, innovative, and environmentally sustainable plastic value chain.

1. Level Playing Field in a Competitive Global Landscape

While global trade is essential to a thriving European economy, imported products, including raw materials and recycled or manufactured (finished/semi-finished) products, must adhere to the EU's environmental and regulatory obligations, which are designed to protect both the environment and public health. Ensuring the enforcement of EU regulations on all products and materials placed on the EU market, including imports, will support the competitiveness of the EU plastic sector while helping maintain productivity, achieve recycling targets, and promote innovation. Additionally, addressing high energy costs, which negatively impact the competitiveness of the EU plastic value chain, is crucial to sustaining the industry's long-term growth and resilience.

2. Mobilising Effective Implementation of Environmental Legislation

After a productive policy cycle with many targets set for the coming years, now is the time to mobilise efforts for effective implementation across Member States. As the EU strives to be at the forefront of sustainability policies, timely implementation of the legislative framework is essential. Cooperation between policymakers and industry experts will be essential to overcome legal uncertainties and ensure compliance with new environmental requirements.

3. Promoting Best Practices Across Europe

Disparities in lifecycle plastics practices across Europe hamper the progress towards a circular economy and pose a significant barrier to the sector’s economic development. To overcome these challenges and strengthen the European plastic value chain, it is essential to implement best practices across all Member States, from production and processing to collection, sorting, and recycling. As recommended in the Draghi report, an integrated approach to plastics management is crucial to establishing a true Single Market for waste and circularity. This should be done by leveraging local capabilities while fostering best practices and ensuring effective innovation in product design, resource efficiency, and end-of-life management.

4. Bolstering Financial Support to Strengthen a Fully Circular Plastic Value Chain

Targeted financial support is imperative to mitigate market uncertainties and expand the EU's plastic infrastructure. Legislative measures should prioritise continued investment to back up circular solutions within the industry and ensure legal certainty for resource allocation. Developing an EU-level incentive scheme for finance is essential to facilitate future investment and technological development across the plastic value chain. Pointed initiatives that encourage innovation and recognise the role of plastics in climate change mitigation will be vital in advancing both industry competitiveness and the EU's climate objectives.

The way forward

The next 2024-2029 EU strategic agenda will be critical to strengthening Europe's prosperity. The forthcoming EU Circular Economy Act and the Clean Industrial Deal are not just opportunities but urgent necessities to ensure the success of the Green Deal and foster a more competitive Europe.

By promoting productivity and economic growth in the sector, EU institutions will help overcome structural bottlenecks in the EU's competitiveness while simultaneously creating green jobs across Europe. Tackling the outlined challenge is a fundamental and time-sensitive step toward realising a circular economy built on collaborative efforts, open dialogue, and firm commitment from policymakers, industry stakeholders, and consumers. It will enhance the resilience of the EU plastic value chain while ensuring a cohesive implementation of the 2030 environmental legal framework.

Yours sincerely,

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