

Speech by Vice-President Jyrki Katainen at the press conference on the European Strategy for Plastics in the Circular Economy

Thank you very much Frans.

This is a fascinating piece of our job – creating new markets and new opportunities, which will make our economies and societies more sustainable. Both in economic terms and environmental terms.

The Plastics Strategy is part of our Circular Economy Strategy. In the Circular Economy both words count. Without economic logic there is no Circular Economy. Without circulation our economy is not sustainable. That is why our aim with the Plastics Strategy is to create a Single Market – a true Single Market – for plastic waste. Especially for plastic packaging waste.

In my view, we have an interesting habit of dealing with our plastic waste at the moment. We produce 26 million tonnes of plastic waste per year. And how do we deal with this?

We mostly export. So we export our plastic waste to mostly Asian countries. This does not make any sense in economic or sustainability terms. So we are throwing away 95% of the value of plastic packages and only 5% is retained in our economy. The measures we propose this time are not legislative proposals yet, but may become ones later.

Our vision is to create true economic logic to recycling plastic waste, because we have to improve both supply and demand. In this regard, let me underline the proposed revision of essential requirements for placing packaging on the EU market. There are several elements that we have to look at. In addition to the overall revision of this legislation, we are also ready to look at the opportunities to extend producer responsibility and determine whether this is a good approach. We will also look at the economic incentives to reward more sustainable design choices of plastic.

If you remember, roughly speaking a month ago, co-legislators approved our proposal which stated there should be a 55% legal target for the recycling of plastic waste. This strategy is not changing this, but what we want to do is to ensure that by 2030 all plastic packaging must be fit to be recycled. In other terms, all useful plastic packaging like cheese or ham packages must be recyclable. So if we manage to do things right, there is a market which can help us exceed the 55% legal target.

Another issue we must address is the current lack of demand for recycled plastic. There are many reasons why demand is not as good as it could be. The main issue is that those who use plastic do not have certainty of the quality

of recycled plastic. For this reason we have to create quality standards. Quality standards give guarantees for material users of the quality of the material they are using.

We are also ready to explore opportunities to set some fiscal measures to improve plastic recycling and the prevention of plastic waste. It is sometimes easier to say than do, but we are exploring the opportunities to find well-functioning fiscal incentives. Furthermore, we are also ready to finance or increase financing for new innovations in recyclability and new oil-free raw materials. Horizon 2020 has already allocated 250 million Euros for this kind of innovative work and we have decided to increase the ceiling with additional 100 million by 2020. The post 2020 EU budget, of course, will be also crucial in this regard.

We already have alternative raw materials like bio-based raw materials to produce plastic but all biodegradable plastics do not function in the way we think they do. For instance, if you try to compost some of those biodegradable plastics, they degrade only in certain circumstances and under certain conditions. So you cannot, for instance, throw these products into your backyard compost. That is why we need quality standards for biodegradable plastics, because if you mix biodegradable plastics with oil-based plastics, it can destroy the whole recycling process as they are two completely different products.

I will stop here, but I find this to be very fascinating work. Through our Plastics Strategy we are both addressing sustainability targets and creating a new economy for Europeans.

Thank you.