

**PRO EUROPE Comments on:  
WRITTEN DECLARATION 20.10.2008 0091/2008  
by H  l  ne Goudin, Nils Lundgren, Henrik Lax and John Bowis  
on co-ordination of deposit and return systems for metal beverage cans  
in the European Union**

PRO EUROPE represents 31 national schemes responsible for the collection, recovery and recycling of packaging waste active in 27 Member States, 2 candidate countries, Norway, Iceland, Ukraine and Canada<sup>1</sup>.

PRO EUROPE's member organisations contribute to meeting the recovery and recycling targets laid down in EU Directive 2004/12/EC on Packaging and Packaging Waste. As practitioners who are closely involved in the collection and recycling of packaging waste, PRO EUROPE has collaborated widely with the European institutions in shaping the revised Packaging Directive by sharing experience and expertise.

PRO EUROPE's member organisations would not expect to be financially disadvantaged by the introduction of deposit systems, in fact in many cases we would expect our turnover to increase due to extra collection and sorting operations required by these mechanisms. However, we are offering this submission on behalf of the many thousands of individual company stakeholders for whom we provide compliance and recycling services.

## Summary

PRO EUROPE members have a number of concerns over the introduction of deposit systems on non-refillable drinks containers. In almost all EU Member states, comprehensive and effective collection and recycling systems have already been established through legislation put into place under the Packaging Directive. In these countries the imposition of additional deposit systems for beverage containers would:

- represent a politically high risk and low reward strategy for their proponents and are generally supported by stakeholders who either have a financial incentive or have not fully accounted for the unintended negative environmental consequences of their introduction.
- lack environmental justification with regards to both carbon emission reduction and littering;
- introduce unnecessary extra costs for consumers, business and local authorities;
- damage the viability of existing proven and optimised systems of collection and recycling;
- potentially introduce distortions to internal markets;
- require significant time, effort and money to ensure compliance with EU competition laws.

PRO EUROPE supports the setting of recycling and recovery targets for recyclable material in the context of producer responsibility instruments and has worked extensively with both authorities and individual obligated client companies to ensure that such targets are met in the most cost efficient and environmentally sound manner.

With regard to the scope of the declaration, most Member states have no such deposit systems in place hence it seems unusual to request a Europe wide declaration to remedy the problems caused by laws operated in a small minority of States. The best prospects for harmonisation would appear to be between the systems of Sweden, Norway, Finland and Estonia, however negotiation between these countries does not require the involvement of the Commission.

## Conclusion

Bearing in mind the above facts and our specific comments below, we would strongly urge Members of the European Parliament not to support Written Declaration 10.2008 0091/2008.

<sup>1</sup> ARA (Austria), CEVKO (Turkey), CSR (Canada), DSD (Germany), Eco-Emballages (France), EcoEmbes (Spain), ECO-ROM (Romania), ECO-PACK (Bulgaria), EKO-KOM (Czech Republic), Eko-Ozra (Croatia), ENVI-PAK (Slovakia), ETO (Estonia), FOST Plus (Belgium), Green Dot Cyprus (Cyprus), Gr  nt Punkt Norge (Norway), GREENPAK (Malta), HeRRCo (Greece), LZP (Latvia), NEDVANG (Netherlands),   ko Pannon (Hungary), PYR (Finland), REPA (Sweden), REPAK (Ireland), Rekopol (Poland), SLOPAK (Slovenia), Sociedade Ponto Verde (Portugal), UkrPec (Ukraine), Valorlux (Luxembourg), VALPAK (UK), Zaliasis Taskas (Lithuania)

## Specific Comments

Our comments on the specific points made in written declaration 20.10.2008 0091/2008 are as follows:

### Statement A:

*"whereas the Member States of the EU currently do not have a coordinated deposit and return system for metal beverage cans; whereas the existing systems are in most cases incompatible and many countries have no such system at all,"*

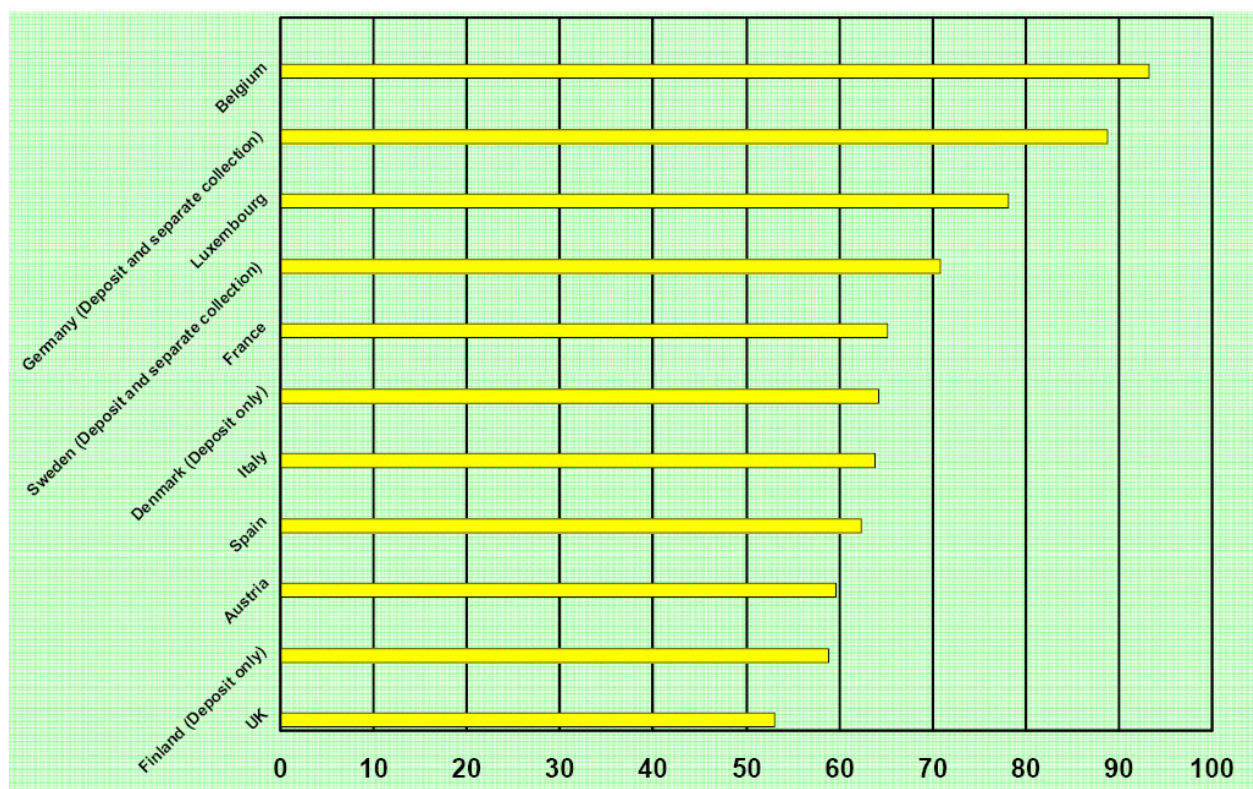
### Statement B:

*"whereas the Scandinavian countries have had well-developed deposit and return systems for many years; whereas the recovery rate is also high in those countries and, in Sweden, as high as 85%; whereas, however, several other Member States have no deposit and return system at all,"*

### PRO EUROPE Comment:

Most Member States do not have deposit systems because they already have well established recycling systems for this material which are more efficient, more effective and do not create barriers to trade.

**Table1: Country performance: Metal recycling rates in 2006 (%)**



Source: European Commission data

Almost all<sup>2</sup> EU Member States have systems of collection and recovery for household packaging material, such as metal beverage cans, using selective collection mechanisms operated through household collection, bring banks or using automated separation systems in material recovery facilities. These systems operate efficiently and effectively, achieving high recovery rates at the lowest possible cost to both producers and consumers. Establishing additional deposit systems would not only reduce the effectiveness of existing

<sup>2</sup> With the exception of Denmark and Finland

systems, it would also introduce significant additional and unnecessary financial burdens on producers and consumers and cause extra environmental damage.

Deposit systems are less effective at increasing metal recovery rates than selective collection systems despite the perception widespread in the opinion. For example, countries with a deposit, but no selective collection system (Denmark and Finland) are two of the lower performing countries for metal recycling in the EU (see table above). In addition, Germany is the only country with both a deposit and a selective collection system for which reliable data exist on metal recycling rates both before and after the deposit system was introduced - metal recycling rates have decreased since the imposition of the deposit system in Germany.

#### **Statement C:**

*“whereas increased cross-border mobility now results in metal cans ending up in countries where they cannot be processed by the national deposit and return system or where there is no such system at all and the cans litter the landscape instead of being recycled,”*

#### **PRO EUROPE Comment:**

To suggest that beverage containers purchased in Member States with deposit and return systems which are then consumed in Member States without such systems “cannot be processed” and therefore inevitably “litter the landscape” could be viewed as being rather misleading.

All Member states must comply with the Packaging and Packaging Waste Directive which requires them to achieve high recovery and recycling rates for all packaging materials – including metal cans. For this reason all countries have established systems which include household collection, bring banks or automated separation systems in material recovery facilities to separate different packaging materials for recycling. In addition, most Member states have numerous individual waste recycling receptacles available in many public places where the people are able to selectively deposit their used packaging material to be recycled. There is therefore ample opportunity for consumers to deposit metal cans in receptacles that they can be assured will result in the recycling of their cans in Member States both with and without deposit systems in operation.

On the subject of littering in particular, drink containers including cans, represent a small but highly visible part of all litter and PRO EUROPE would absolutely agree that the elimination of littering is a highly desirable aim. We are aware of much independent research that has been carried out into potential policy initiatives which could effectively tackle the problem of litter. However, although many initiatives are suggested to reduce littering, none of this research recommends the introduction of deposit systems as a universal cure to the problem. In fact the main conclusions from all studies that we are aware of are that consumer education, rigorous enforcement of anti-littering laws and the availability of litter receptacles are the most important factors affecting litter levels. Bearing in mind this large body of research and consequent policy recommendations, we feel that to strongly correlate litter reduction with the introduction of mandatory deposit systems is potentially misleading.

Furthermore, although there is no doubt that the introduction of deposit systems can reduce beverage container litter, their effects on the litter stream as a whole is not totally positive. Firstly, the activities of bin scavengers in public places can have the nett effect of increasing litter since they will frequently empty an entire bin whilst searching for deposit bottles. Secondly, the deposit system does not affect fundamental behaviours, hence although deposit bottles may disappear from the litter stream, littering remains similar to previous levels but with a change of composition.

#### **Statement D:**

*“whereas the lack of compatibility between the national deposit and return systems also constitutes an obstacle to trade for producers of metal beverage cans and is a contributory factor in restricting competition on the internal market; whereas it is ultimately the consumer who suffers when metal beverage cans purchased in one Member State cannot be returned against a deposit in another Member State,*

#### **PRO EUROPE Comment:**

Obstacles to cross border trade are an unwelcome symptom of the use of deposit and return systems; however, asking all Member States to introduce similar laws is not the best solution to the problem. In fact there is considerable evidence that if deposit systems were imposed in all Member states that the metal beverage can market would suffer a significant reduction in size.

Looking firstly at the effects within Member states, there are numerous financial consequences of imposing deposit systems on business stakeholders with both winners and losers depending on their position within the supply chain. When examined as a whole, it is clear that the use of deposit systems for the collection of beverage containers is considerably less efficient than when these are collected in conjunction with an existing kerbside collection system. Deposit systems are two or three times more expensive per tonne of material to administer than selective collection, a result which has been confirmed by a Perchards study on behalf of the European Commission<sup>3</sup>.

Mandatory deposit systems also have a number of consequences on local markets:

- Consumers tend to try to avoid paying deposits by shifting to deposit free products. This includes shopping in stores across borders where mandatory deposits are not applied. Consequently, retailers in the border region are faced with tremendous losses due to 'customer migration'.
- Damage has been sustained by some packaging producers, for example metal cans. This is because retailers wish to minimise their collection costs and hence have chosen in some cases to neither stock nor collect cans.
- Large deposits can encourage fraudulent claims for bottles gathered across a national or state border from an area where no deposit system is in operation.

Moreover, deposit systems can also introduce distortions to the EU internal market, as highlighted in the European Commission Report on the Implementation of Directive 94/62/EC on Packaging and Packaging Waste:

*"National measures can lead to distortions of competition and in some cases partitioning of the internal market, which contradicts the objectives of the directive. The beverage packaging sector has signalled such impacts from mandatory deposit systems for non-refillable containers."*

Indeed, there is a risk that packaging produced in a Member State cannot be put on the market of another Member State having a deposit system in place because it would not fit with the format imposed by the deposit system.

Finally, it is perhaps worth considering one of the major factors that creates a demand for cross border purchasing of beverage containers – and hence should be viewed as a contributory cause of their being many such used containers in countries where they are not able to be processed by the national deposit scheme – namely alcohol duty rates. The level of taxation applied to wine and spirits in Sweden and Finland results in these two markets being flooded with privately imported alcoholic drink containers which not only means a loss of revenue for retailers and governments, but also leaves consumers with empty containers for which they have paid deposits that they are unable to claim back in their home country. Harmonising national alcohol duty rates should therefore have a significant effect on reducing the problems caused by non-harmonised deposit systems, however, in our view perhaps the most effective solution would be to remove these systems entirely and move to a system of national selective collection which has proven itself to be the most cost efficient, environmentally friendly and effective means to increase recycling rates.

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<sup>3</sup> "PERCHARDS - Study on the progress of the implementation and impact of Directive 94/62/EC of the functioning of the Internal Market", page 129