

New packaging tax risks to seriously harm the Hungarian industry

Brussels, 9th November 2010: The Hungarian government is planning to introduce a new tax regime for packaging waste although the industry has successfully fulfilled all recycling and recovery targets for used packaging up to now. If enforced, this regulation will have devastating consequences for recovery organisations and other supply chain partners in Hungary, warns PRO EUROPE, the umbrella organisation for European packaging and packaging waste recovery.

Although no draft proposal has been circulated so far, plans from the Hungarian government have been communicated publicly via the press and in some conferences. These plans have also been confirmed in personal meetings and discussions with government officials. No public consultation is planned for the time being. This leaves no possibility for the Hungarian Packaging industry, fillers and packers to provide their views on the impact of the draft law. Given that the Hungarian government has a two third of majority of the ruling party, the draft law is likely to be adopted without any debate.

Joachim Quoden, Managing Director of PRO EUROPE declared: *“The new government’s announced intention to replace the present successful Extended Producer Responsibility (EPR) * approach by a packaging tax will ruin the result of ten years of painstaking environmental efforts. This would be a giant step backwards considering the significant positive consequences of producers taking responsibility for the recycling of their own products.*

*“As the situation in Denmark shows, most of the collected packaging taxes are used merely to increase the general state budget, without any consideration of improving the collection and recycling of used packaging whatsoever. More importantly, the fact that the industry is not directly involved in this approach means there are no incentives for increased resource efficiency and packaging optimization. The Producer responsibility remains one of the best options to achieve concrete results, as recently acknowledged by the Belgian EU Presidency, Environment Commissioner Janez Potočnik and the OECD **”.*

“ PRO EUROPE and its Hungarian Member ÖKO-Pannon are fully prepared to work with the Hungarian authorities to ensure that a sustainable and efficient recovery system is maintained, for the benefits of the Hungarian citizens”.

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Notes to the editors

* The Organization for Economic Co-operation and Development (OECD) defines the Extended Producer Responsibility (EPR) as an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle.

** See Report OECD GLOBAL FORUM ON ENVIRONMENT - Focusing on SUSTAINABLE MATERIALS MANAGEMENT 25-27 October 2010, Mechelen, Belgium. Available [here](#).

About PRO EUROPE

PRO EUROPE s.p.r.l. (Packaging Recovery Organisation Europe), founded in 1995, is the umbrella organisation for the packaging and packaging waste recovery schemes which mainly use the "Green Dot" trademark. PRO EUROPE acts as the authoritative voice and common policy platform for its members, representing the interests of all packaging recovery and recycling organisations mainly using the "Green Dot".