

New analysis highlights risk to European recycling industry from imports of recycled PET

London-Paris, 19 February 2024 – A new analysis released today by systems change company Systemiq identifies over 100 plastic recycling installations outside Europe that are now registered for imports into Europe. The *Circular PET and Polyester issue brief* highlights the risk that large-scale imports of recycled PET could pose for European recyclers and the recycling targets set by EU and member states. The analysis comes at a critical time when policy-makers are working to finalise foundational regulation in the shape of the Packaging and Packaging Waste Regulation (PPWR).

The polyethylene terephthalate (PET) molecule is a key building block for plastic packaging and polyester textiles, and makes up one-quarter of consumer packaging (bottles and trays) and the vast majority of synthetic textiles (clothing, homeware and industrial) used in Europe. PET/polyester has abundant – but not yet realised – potential for circularity, through reuse and complementary mechanical and chemical PET recycling.

The [Circular PET and Polyester issue brief](#) builds on a Circular PET and Polyester system study published by Systemiq in July 2023. This system study created a model for PET/polyester flows in Europe out to 2040. It presented an “Ambitious Complementarity Scenario” with ambitious application of all circular economy approaches (reduce, reuse and recycle). Compared to a continuation of current trends, this scenario has the potential to achieve a PET and polyester recycling rate of 67% by 2040, up from 24% in 2020.

Whilst *exports* of plastic waste from Europe are increasingly restricted (especially to non-OECD countries), this new issue brief presents evidence that *imports* of recycled PET – not made from European waste – into Europe could increase in response to future demand driven by ambitious recycled content targets in the Single-Use Plastics Directive (SUPD) and PPWR. As of October 2023, over 100 registrations had been made for recycling installations outside Europe, for the import of contact-sensitive recycled plastic into Europe.

The issue brief highlights the potential impacts of a significant increase in recycled PET imports to Europe, should recycled PET imports slow or stall future investments in the scale-up of European recycling. Compared to the 2040 “Ambitious Complementarity Scenario” system vision this could result in:

- reduction in PET/polyester recycling rate in Europe from 67% to 38% or lower, with knock-on effects for the European recycling industry;
- doubling of non-recycled PET/polyester waste in Europe from 2.5 Mt to 4.7Mt or higher, resulting in more plastic being sent to waste-to-energy incinerators; and
- doubling of EU end-of-life greenhouse gas (GHG) emissions from the PET/polyester system, from 3.7 MtCO_{2e} to 7.4 MtCO_{2e} or higher.

Recycling rate targets in the draft PPWR could also be missed. If future investments in the scale-up of European recycling stall or slow, 2030 PET packaging recycling rates are projected to be below the 55% target for plastic packaging set in the draft PPWR.

The issue brief also highlights potential environmental impacts of increased recycled PET imports on exporting countries, such as on mismanaged plastic waste and GHG emissions and recommends further research to better understand these potential impacts.

The analysis in this issue brief provides directional insights on the potential impact of recycled PET imports on the transition to a circular economy for PET/polyester in Europe. It highlights that overall, further discussion and research is urgently needed to understand the scale of this challenge and to ensure the goals of a European circular plastics economy are safeguarded.

The ‘*Circular PET and Polyester: Issue brief*’ is available at <https://www.systemiq.earth/wp-content/uploads/2024/02/Circular-PET-and-Polyester-issue-brief.pdf> and the original study ‘*Circular*

PET and Polyester A circular economy blueprint for packaging and textiles in Europe can be accessed at <https://www.systemiq.earth/wp-content/uploads/2023/07/Circular-PET-and-Polyester-Full-Report-July-2023.pdf>.

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NOTES TO EDITORS

About this issue brief

This issue brief is an addendum to the report '[Circular PET and Polyester: A circular economy blueprint for packaging and textiles in Europe](#)'. It was prepared by Systemiq and was commissioned and funded by Eastman and Plastics Recyclers Europe. The original report, published July 2023, was prepared by Systemiq, with strategic guidance from an independent Steering Group with representation from the public sector, civil society and industry. This Steering Group included individuals from Maastricht University, Ghent University, European Commission Joint Research Centre, Zero Waste Europe, Eunomia, Closed Loop Partners, Eastman, Interzero, Plastics Recyclers Europe, Lululemon, and Danone. The original report was commissioned and funded by Eastman and Interzero.

About Systemiq

Systemiq, the system-change company, was founded in 2016 to drive the achievement of the Sustainable Development Goals and the Paris Agreement, by transforming markets and business models in five key systems: nature and food, materials and circularity, energy, urban areas, and sustainable finance. A certified B Corp, Systemiq combines strategic advisory with high-impact, on-the-ground work, and partners with business, finance, policy makers and civil society to deliver system change. Systemiq has offices in Brazil, France, Germany, Indonesia, the Netherlands, and the UK. Find out more at www.systemiq.earth.