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## **EU's competitiveness under severe threat: plastics sector at crossroads**

The plastic value chain is hit by a strong recession caused by persisting issues such as increased imports of non-EU recycled plastics, reduced investments in domestic raw materials production and recycling, as well as a lack of demand for EU-virgin and recycled plastics. Eighteen industry stakeholders across the plastic value chain call for immediate efforts to strengthen the European plastics industry and promote a resilient, innovative, sustainable European plastics value chain.

Despite significant technological innovation in recent years, the new market data shows a steep decline in the virgin industry. Europe's share of global plastics production has fallen from 28% in 2002 to 14% in 2022, while the growth of recycling capacity is slowing down from 16% in 2021 to 6% in 2023.

The uncontrolled imports of recyclates and virgin plastics into the EU pose a critical challenge requiring swift action. While global trade is essential to ensure a thriving European economy, EU environmental, health and safety regulations must be enforced on all products and materials placed on the market. This measure is necessary to support the competitiveness of the European plastic value chain and establish a level playing field among EU and non-EU actors. Together with this, addressing high energy costs and ensuring the enforcement of EU regulations on all products and materials placed on the EU market is essential, including imports.

We must urgently address the existing market uncertainties to prevent further de-industrialization and establish a Single Market for waste and recycled plastics. To achieve this, best practices should be implemented across all Member States, from production and processing to collection, sorting and recycling and these should be accompanied by clear enforcement measures to ensure the progress towards legislative targets. Additionally, establishing an EU-level incentive scheme to boost further investment, as well as clear legislative measures to encourage circular solutions, will provide the plastic value chain with the financial stability to drive further innovations for the industry and continue contributing to climate change mitigation.

The aforementioned representatives urge the European Union to boost Europe's circular economy in the 2024-2029 legislature and strengthen the EU's global competitiveness. Without decisive and targeted action, Europe risks losing its leadership in innovative plastic production and recycling, along with its broader industrial base, jeopardising the implementation of the 2030 environmental legal framework.

