

Brussels, 4 September 2025

Ms. Ursula von der Leyen

President of the European Commission

Rue de la Loi 200, 1049, Brussels, Belgium

Cc:

Ms. Teresa Ribera Rodríguez, Executive Vice-President for a Clean, Just and Competitive Transition

Mr. Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy

Ms. Jessika Roswall, Commissioner for Environment, Water Resilience and a Competitive Circular Economy

Mr. Maroš Šefčovič, Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency

Mr. Olivér Várhelyi, Commissioner for Health and Animal Welfare

Subject: Strategic Recommendations for a Resilient and Circular Plastic Value Chain in the EU

Dear President von der Leyen,

The European plastic value chain is facing a deepening industrial recession that threatens its role in delivering circularity, strategic autonomy, and green innovation. Immediate and decisive policy intervention is imperative to halt this decline. In parallel, medium to long-term recovery and resilience must be secured through the ambitious implementation of the Clean Industrial Deal and the forthcoming Circular Economy Act.

While cornerstone initiatives in the previous policy cycle have marked major progress toward circularity, the European plastic value chain is now experiencing an unprecedented crisis. Soaring energy costs, legal uncertainty, regulatory fragmentation and intensifying global competition are steadily eroding the sector's resilience and undermining its capacity to invest, innovate, and compete. The threat of de-industrialisation is no longer abstract; it is rapidly becoming a reality, with effective and often irreversible site closures and other serious implications¹ for Europe's circularity leadership and green job creation.

Recent data confirm the severity of the decline and underscore the urgency for intervention. Between 2018 and 2022, plastics production in Europe declined by 13.3%, followed by a further drop of 8.3% in 2023². At this rate, EU plastics production could soon fall back to levels not seen since the year 2000, even as polymer consumption continues to rise³. Equally concerning, 2023 saw the slowest growth in recycling capacity in years and a surge in facility closures across Member States. On top of that, the upcoming restrictions to export plastic waste to third countries will intensify the need for a strong internal market for recycled plastics.

In response, the entire plastic value chain, including waste management operators, recyclers, raw material producers and plastics converters, puts forward a set of strategic recommendations to shape a

¹ Among the most recent are the intention to close the Vynova Beek site in the Netherlands, with 225 kt/year of PVC production capacity ([Vynova](#), July 2025); the closure of the Grupo Antolin Valpas site in Spain and Endem I in Germany ([El Economista](#), April 2025); and the closure of the Veolia Multiport and Multipet sites in Germany, with a combined processing capacity of 70,000 t/year for HDPE and PET ([PlastEurope](#), July 2025).

² Plastics Europe

³ Plastics Recyclers Europe

forward-looking agenda to foster industrial competitiveness, strengthens supply chain resilience, and secures a sustainable, circular, and innovation-driven plastics economy for Europe.

1. Restore Fair Competition - Promote EU-Made Circular Plastics Now

Without promoting the uptake of high-quality plastics produced in the EU⁴, the transition to a circular economy cannot be achieved. This requires enforcing mirror measures on imports of recycled polymers and plastic products (finished/semi-finished), or equivalent workable mechanisms to restore a level playing field. This also includes ramping up targeted incentives in infrastructure for collection and sorting, boosting investment in EU recycling by exploring Green VAT and implementing EPR⁵ bonuses, ensuring high-quality standards, establishing uniform design-for-recycling criteria, and reforming public procurement to favour EU recyclates. It is also essential to reduce the incineration and landfilling of plastic waste, which is diverted from the circular loop.

2. Cut Energy Costs - Empower and support Circular Plastics to Compete Globally

Stronger links between circularity and climate policy are essential, with a comprehensive package of supporting measures for the EU plastic industry. Recycling, masterbatching, compounding, and converting should be eligible for the support measures included under the NZIA⁶, CISAF⁷, IDAA⁸ and CEEAG⁹, typically applicable to the energy-intensive industries (EIs). The plastics industry must benefit from affordable energy schemes, tax relief, and emissions-based funding to remain competitive. State Aid, including operating aid, is urgently needed, with resource allocation focusing on CO₂ savings, resource efficiency, and circularity, with dedicated access for SMEs and existing companies. Current revenues on plastics, such as those from ETS¹⁰ and Plastics own resource, should be reinvested into a dedicated fund within the Competitiveness Fund, to support the circularity of the plastic industry, including waste management.

3. End Loopholes in Verification and Enforcement

Strong enforcement starts with properly staffed and well-equipped authorities, including Customs authorities, harmonised rules, and consistent market surveillance. National authorities should benefit from structured training, industry dialogue, and digital traceability tools. Separate customs codes for fossil-based and for every non fossil-based feedstocks and products (bio-based, recycled and carbon captured), as well as a harmonised EU verification framework, and a streamlined third-party certification are essential for detecting non-compliant imports. Oversight of recycled content claims, compliance with food contact material legislation, and REACH¹¹ enforcement must apply equally to imports, backed by robust traceability standards and test methods.

4. Tackle Fragmentation - Implement and Enforce EU Law

Consistent and harmonised implementation and enforcement of EU law across Member States is essential. This includes strict enforcement of recycled content targets, backed by third-party certification and clear penalties. Legal clarity and coherent rules interpretation are needed to boost investment confidence, as well as reducing red tape via streamlining permitting and reporting processes. Harmonised compliance audits and EU-wide End-of-Waste criteria are needed to scale circular solutions across the

⁴ Including EFTA + UK

⁵ Extended Producer Responsibility

⁶ Net-Zero Industry Act (NZIA)

⁷ Clean Industrial State Aid Framework (CISAF)

⁸ Industrial Decarbonisation Accelerator Act (IDAA)

⁹ Climate, Environment, and Energy Aid Guidelines (CEEAG)

¹⁰ EU Emissions Trading System (ETS)

¹¹ Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Single Market. For example, in the case of food-contact material, the Commission must increase its resources to ensure the sufficient supply of safe recycled plastic. This entails ensuring that competent authorities conduct their audits, completing the relevant Union register, and fast-tracking the approval of the so-called novel technologies.

5. Break the Deadlock - Catalyse Innovation and Private Investment

Delivering circularity at scale requires targeted support for breakthrough technologies, fostering a regulatory environment that de-risks investment and accelerates innovation while keeping supporting existing capacities. Advancing efficient collection systems, scaling sorting and separation technologies, and supporting all recycling technologies - while prioritising the most sustainable ones - is essential. To unlock investments and build a unified and competitive circular plastics market, the EU must strengthen coordination, harmonise rules for recycling and substances, and clarify governance at Member State level.

6. Enhance EPR for a Fair Circular Market

Increased harmonisation of EU-wide EPR rules, definitions, and eco-modulated fees are essential to avoid market fragmentation and ensure fair competition. EPR should target market failures, reward design-for-recycling and recycled content through material-neutral, more harmonised requirements and criteria. Strategic governance should have full value chain representation, for example through an advisory board. Operational governance of PROs should be independent. Fee-based competition that could incentivize minimal compliance should be prevented.

A Call to Secure Europe's Plastic Value Chain Future

The EU stands at a crossroads. The plastics industry is facing a defining moment: either we urgently double down on enforcement, targeted investment, and fair competition, or the vision of a circular plastics economy in Europe will not materialise. The recommendations above are not just a roadmap, they are a prerequisite for turning today's challenges into a resilient, competitive, and truly circular plastics economy that strengthens Europe's industrial base and strategic autonomy.

Sincerely,

Co-signatories

European organisations



National associations

