

# THE FUTURE OF DEPOSIT SCHEMES FOR ONE-WAY DRINKS CONTAINERS IN EUROPE



## Current situation and key factors for future trends

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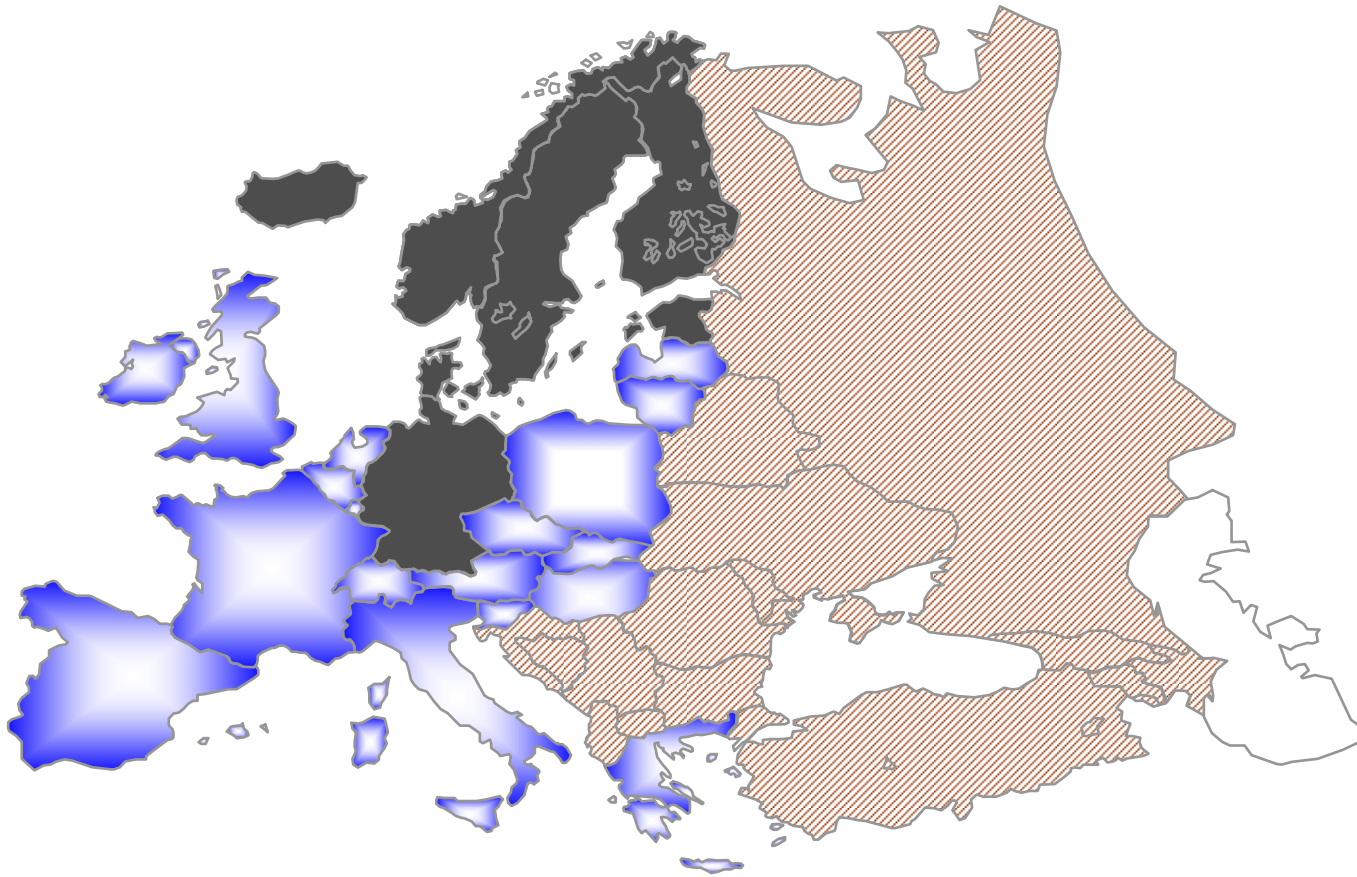


# CURRENT SITUATION AND KEY FACTORS FOR FUTURE TRENDS:

- **CURRENT SITUATION**
  - Deposit obligation?
  - Deposit system?
  - Relative importance of mandatory deposits
  
- **KEY FACTORS FOR FUTURE TRENDS**
  - Economic factor
  - Environmental factor
  - Social factor
  
- **CONCLUSION**



# CURRENT SITUATION



## DEPOSIT OBLIGATION?

- **Legal obligation** when selling drinks in one-way containers to charge a « deposit fee ».
- However, deposit obligations **may also be *de facto***, under the form of incentives such as taxes.
- The **amount of the deposit fee** is sometimes set in the law but not necessarily.
- **Scope of the obligation**: National laws target specific drinks segments: Mostly soft drinks and beer.

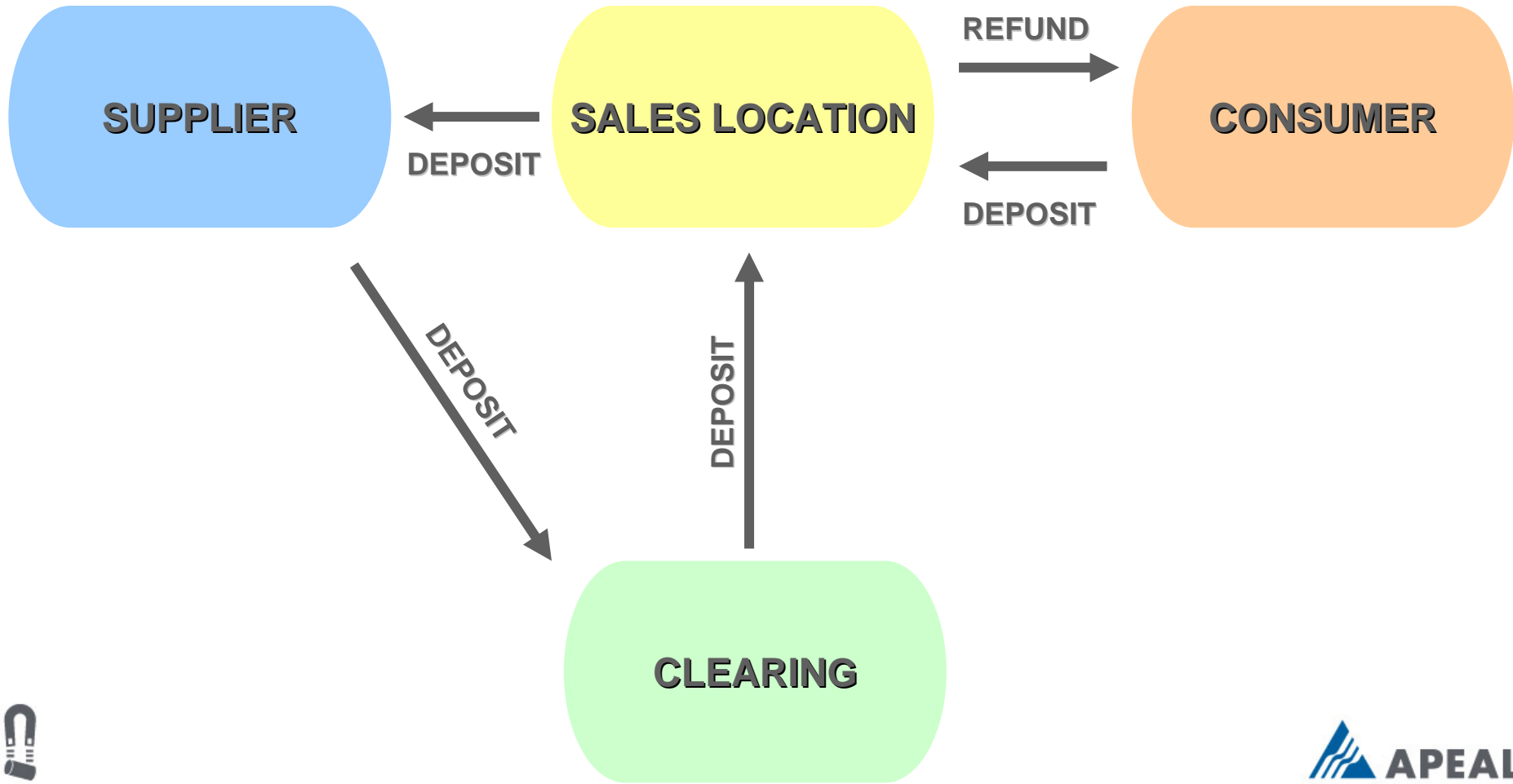


## DEPOSIT SYSTEM?

- By nature, **one-way drinks containers are not meant to be returned to the retailer** (particularly for imported drinks).
  
- For this reason, a deposit obligation on one-way containers **implies the set up of a system** with the following characteristics:
  - Nation wide.
  - Designed to prevent fraud.
  - As convenient for imported goods as for domestic products – not deterring imports.
  - Maintaining the same convenience for consumers.

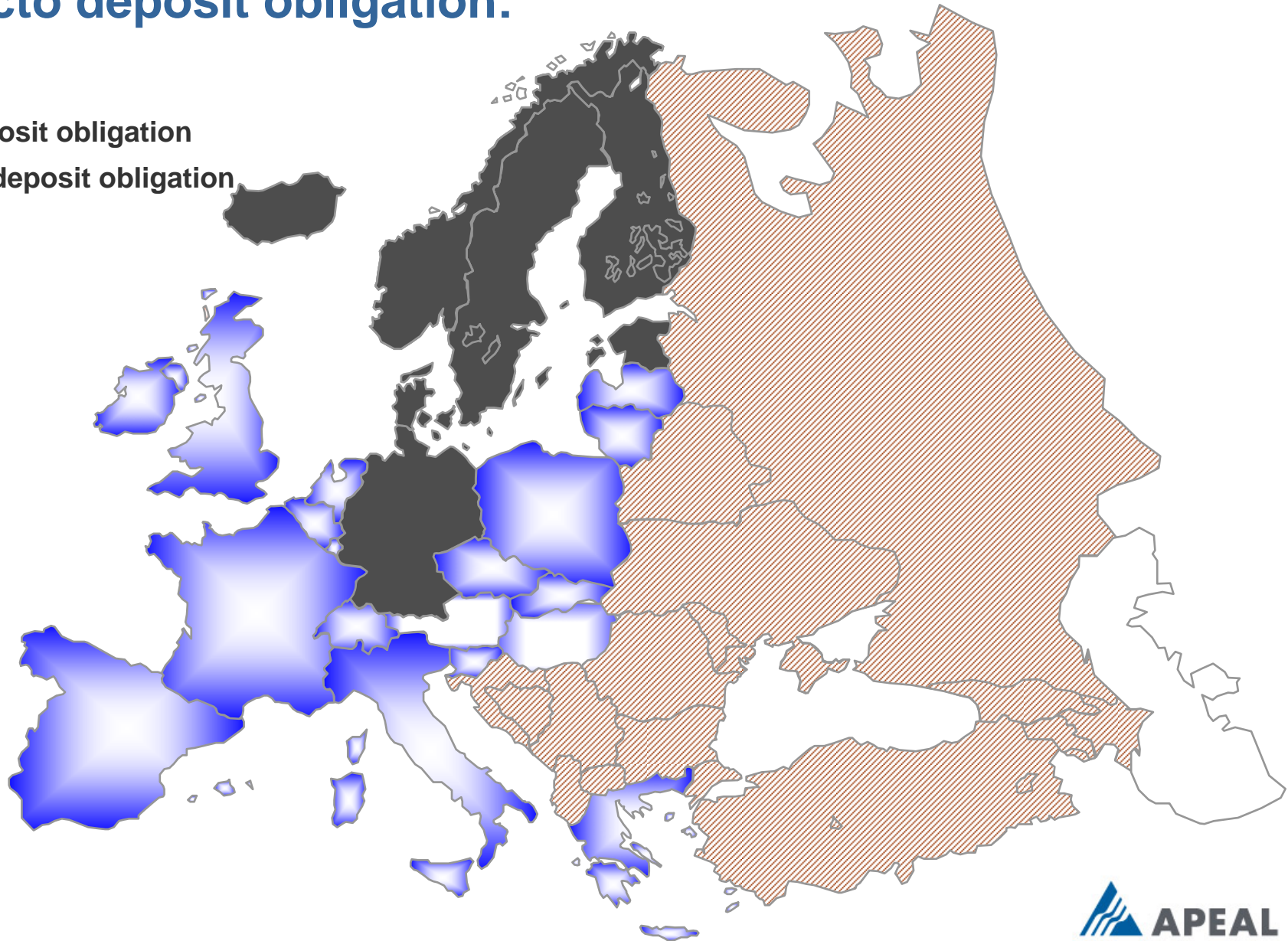


No deposit system for one-way containers complying with these requirements exist yet, but the minimum requirement is to set-up a Clearing process:

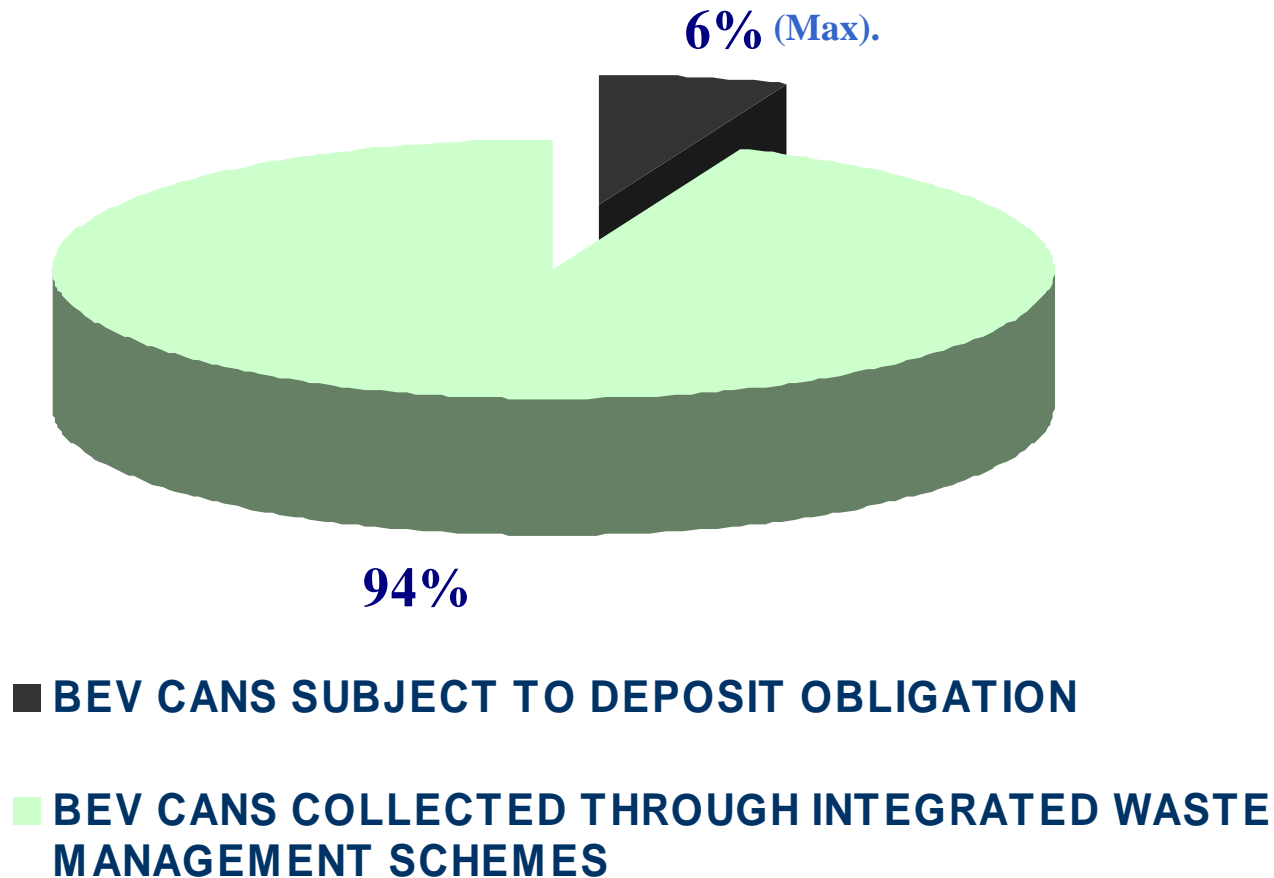


# Geographical importance of legal / de facto deposit obligation:

- Deposit obligation
- No deposit obligation

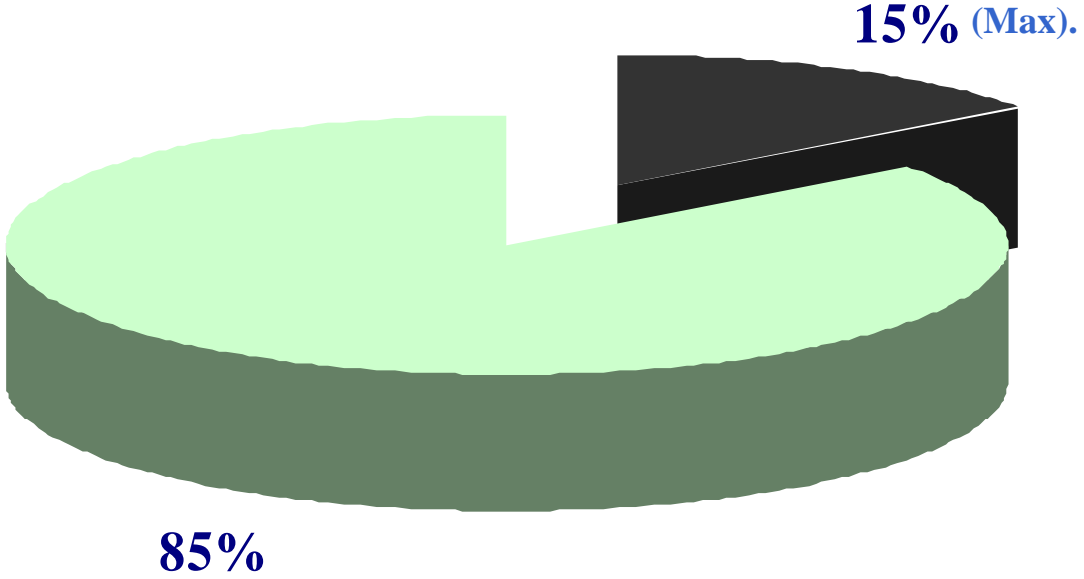


# Share of beverage cans subject to a deposit obligation in western Europe



*Estimate based on Canadian data 2002 (updated to 2005 for Germany)*

# Share of one-way drinks containers subject to a deposit obligation in western Europe



- ONE-WAY DRINKS CONTAINERS SUBJECT TO DEPOSIT OBLIGATION
- ONE-WAY DRINKS CONTAINERS COLLECTED THROUGH INTEGRATED WASTE MANAGEMENT SCHEMES



Estimate based on Canadian data 2002

# KEY FACTORS FOR FUTURE TRENDS



# ECONOMIC FACTOR



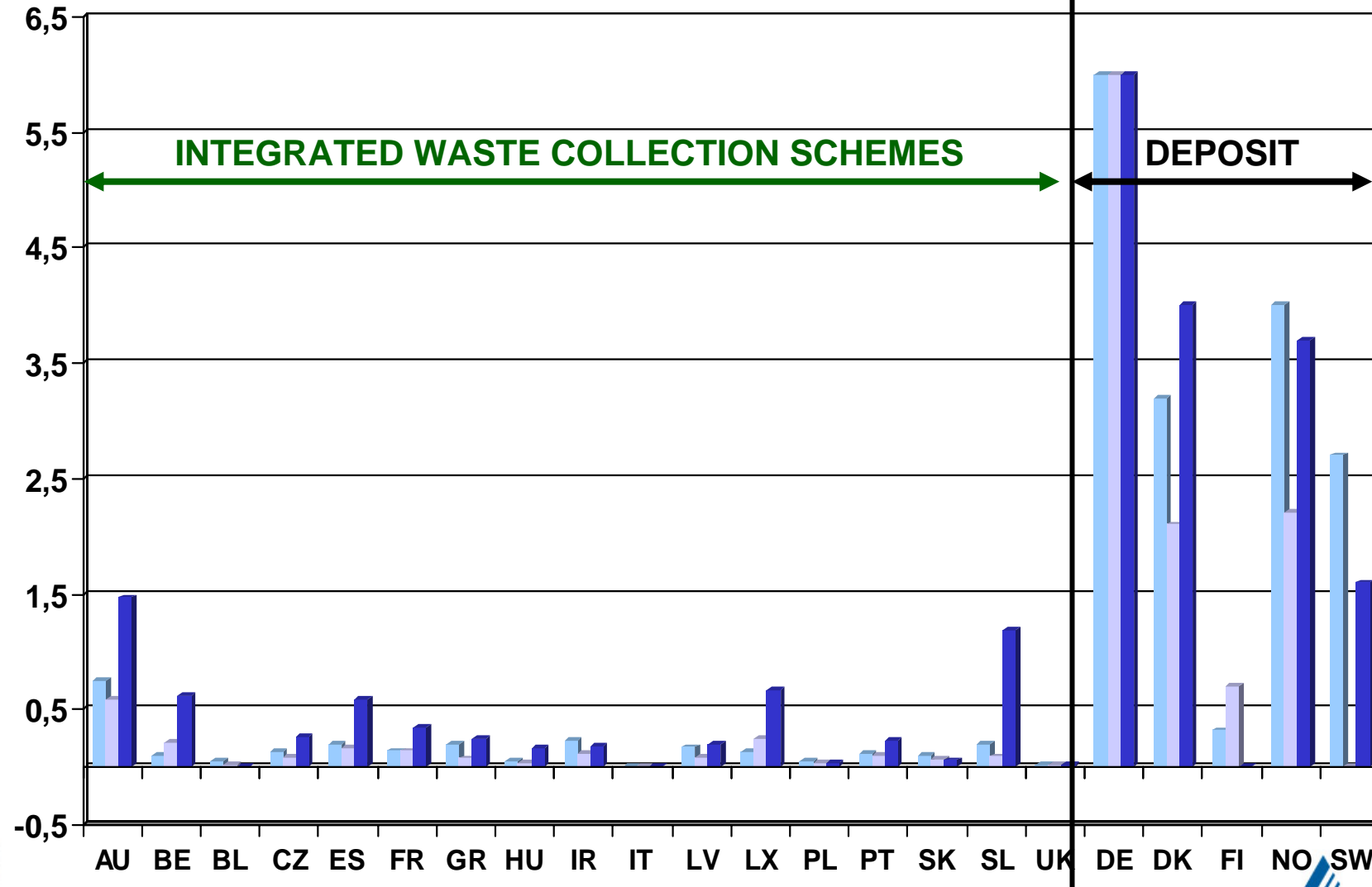
- Collection fees normally **reflect collection and recycling costs.**
  
- Creating a **new collection system just for certain drinks containers** generates substantial additional costs due to :
  - Additional transport costs
  - Costly infrastructure (notably reverse vending machines)
  
- Consequently, **collection fees for one-way drinks containers become far more expensive under deposit systems** than under integrated multi-material recovery schemes.



# COLLECTION FEES FOR ONE-WAY DRINKS CONTAINERS IN EUROPE:

■ STEEL 50cl ■ ALU 50cl ■ PET 50cl

Eurocent



Source: APEAL



# ENVIRONMENTAL FACTOR

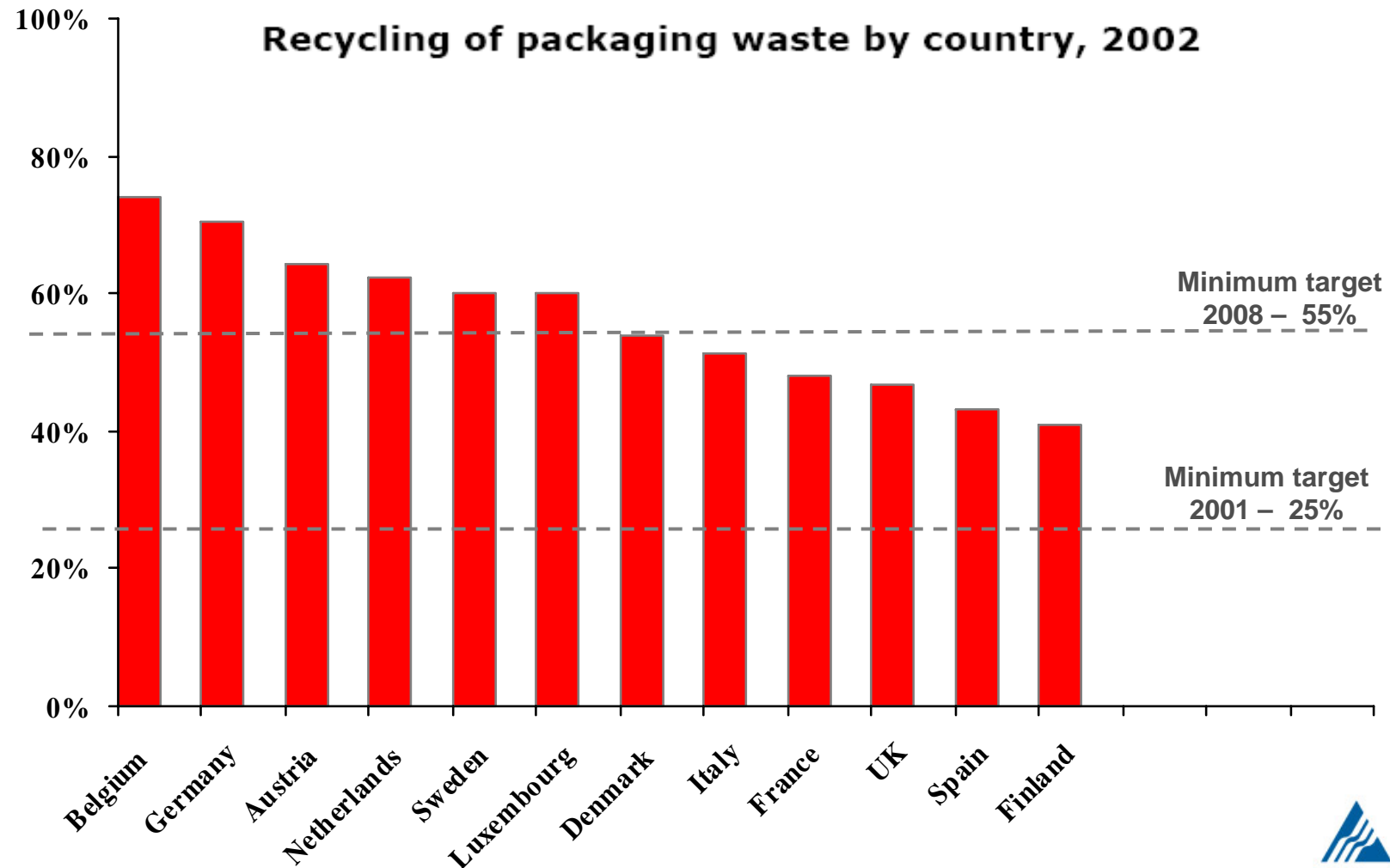


- **Main environmental objectives** usually put forward by regulators or pro-deposit lobbies to justify mandatory deposit:
  - Promoting **high recycling rates**.
  - Promoting **reusable containers**.



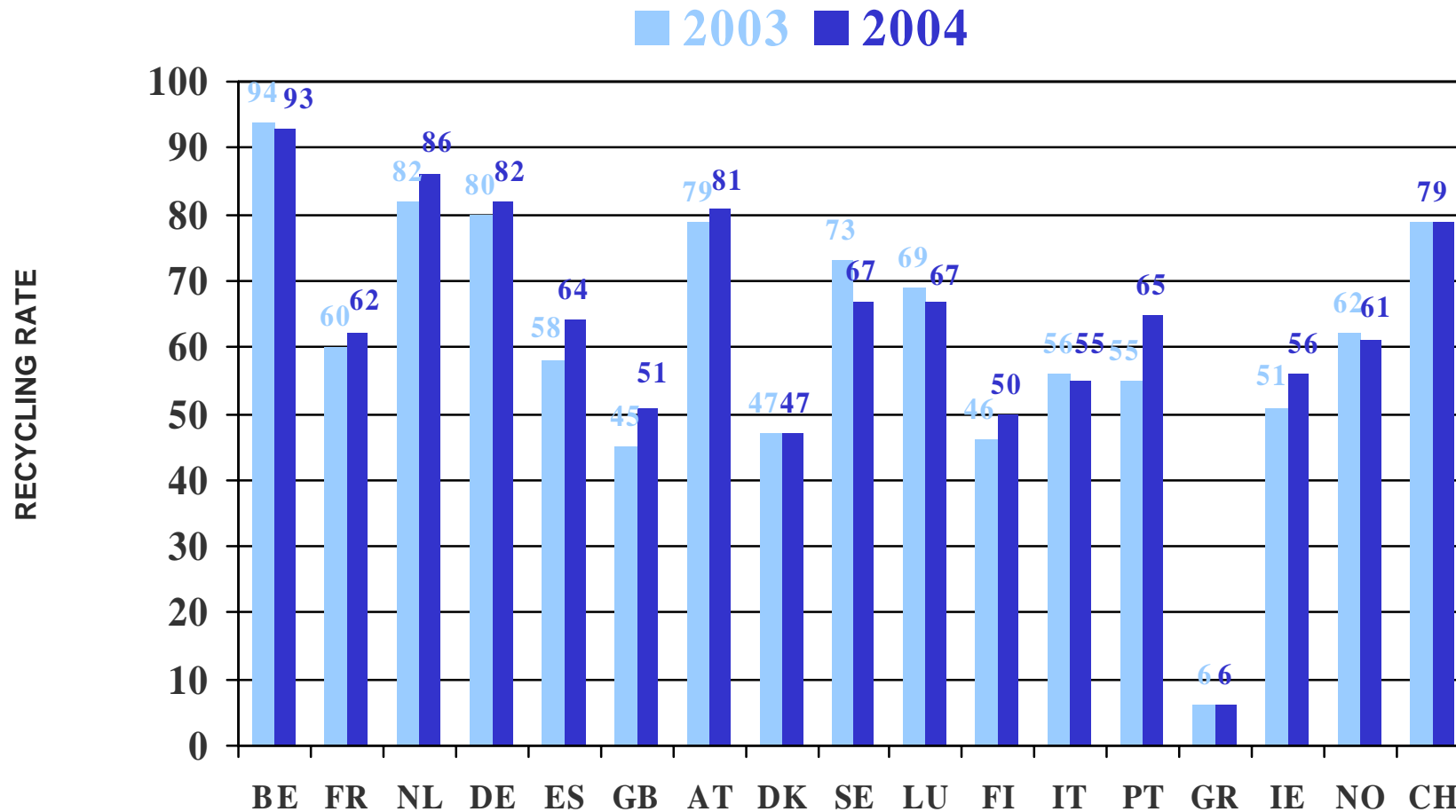
# PROMOTING HIGH RECYCLING TARGETS?

Higher overall packaging recycling rates can be achieved without any **deposit** return obligation:



# PROMOTING HIGH STEEL RECYCLING TARGETS?

Higher steel packaging recycling rates are achieved throughout Europe without any need for beverage specific measures :



BE, NL, LU, FI, NO: Metal packaging recycling rate

DK, FI (2003 figures compared with 2002)



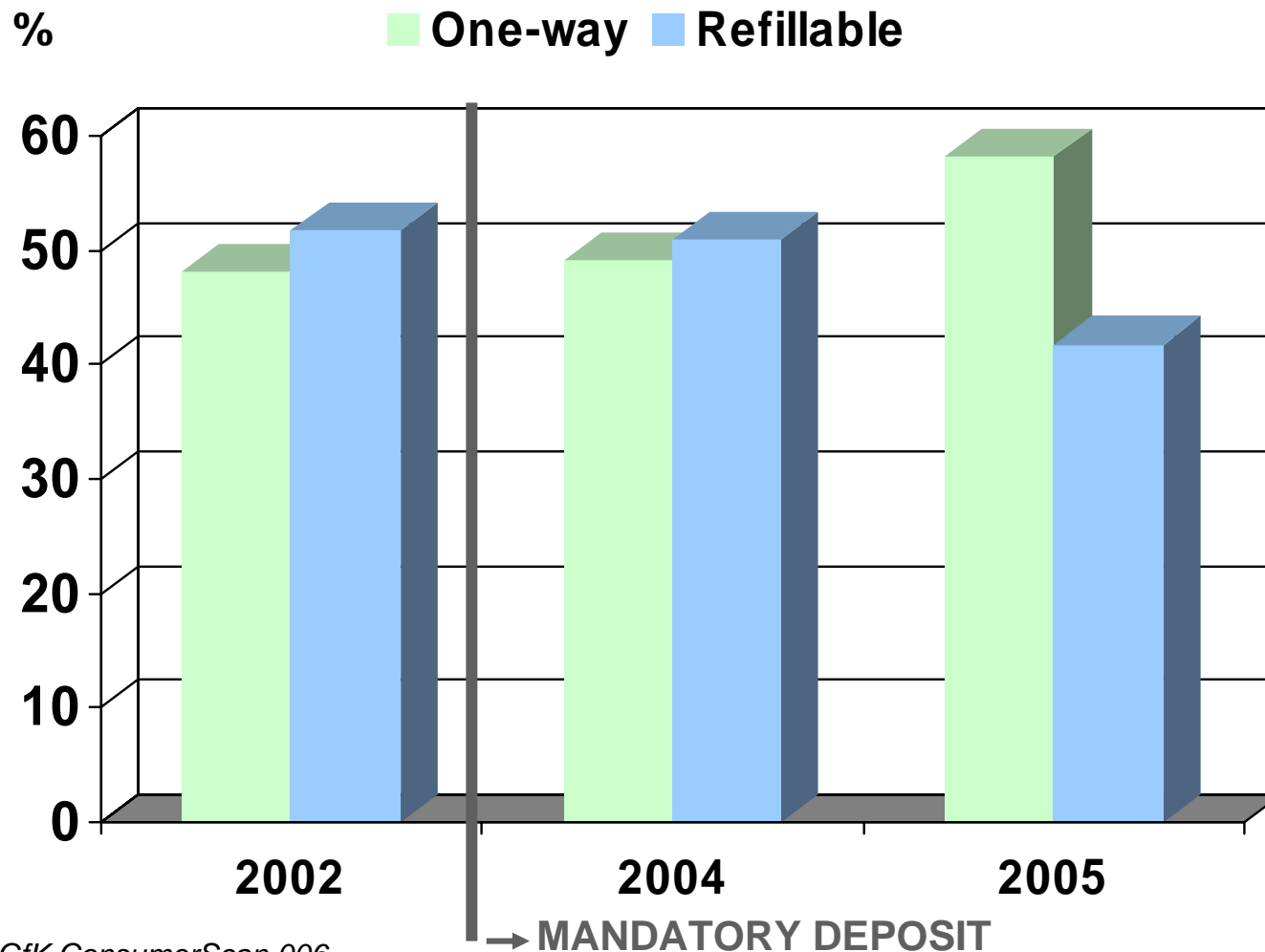
## DATA ON RECYCLING TRENDS IN THE EU SHOWS THAT:

- Global packaging recycling rates are **increasing progressively** thanks to integrated multimaterial collection systems.
- These integrated systems **can achieve extremely high recycling rates** (93% of metal packaging in Belgium!).
- Thanks to such a global and integrated approach, **a level playing field in recycling performance** can be achieved throughout Europe.



# PROMOTING REUSABLE DRINKS CONTAINERS?

The share of **refillable** containers for soft drinks decreased in Germany after the deposit obligation was enforced:



Source: GfK ConsumerScan 006

→ MANDATORY DEPOSIT



# SOCIAL FACTOR



➤ In order to be successful, waste management schemes **need to be accepted and understood** by consumers.



➤ The **cost to society** is also a relevant factor to be taken into account by political decision makers.

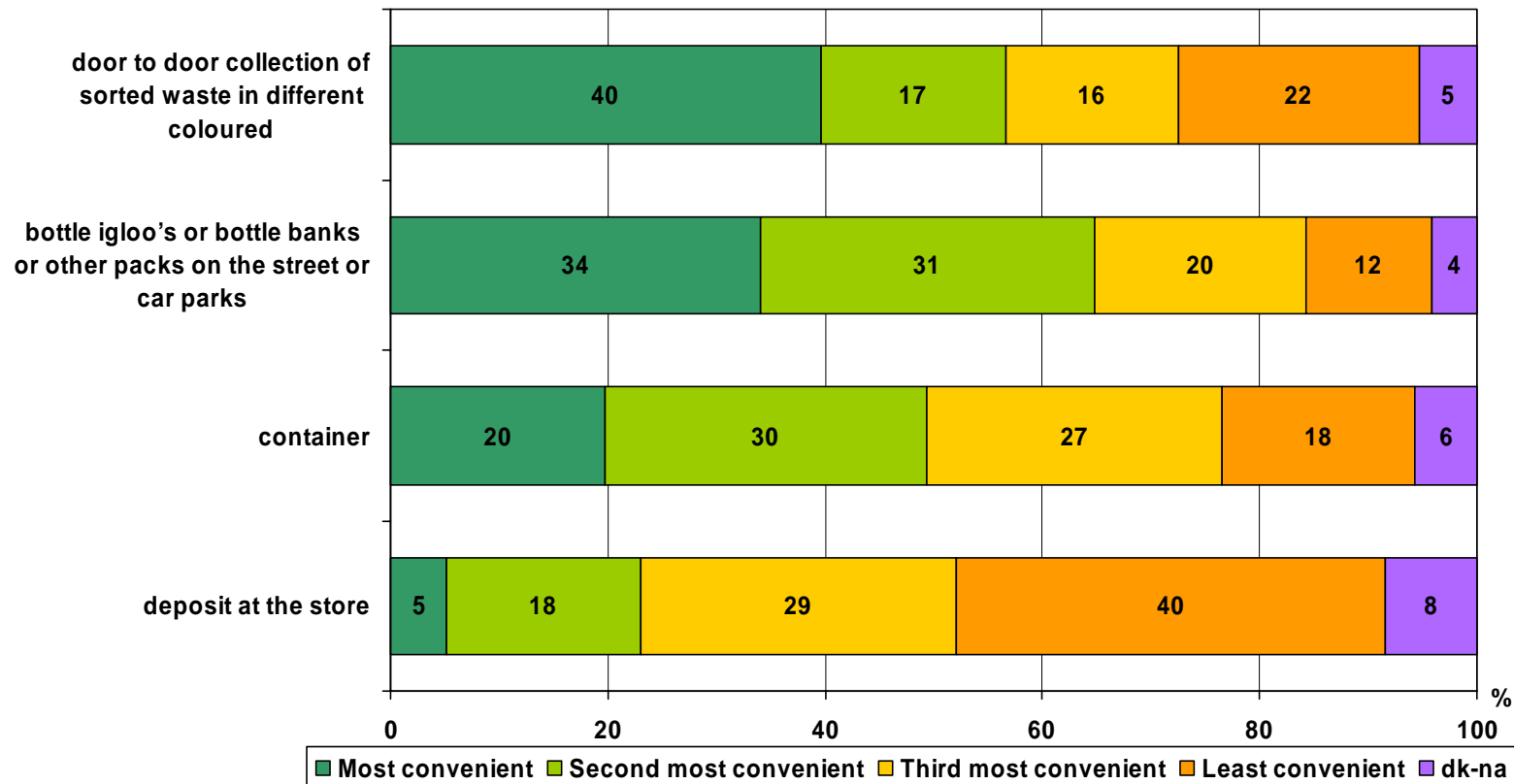


# CONSUMER CONVENIENCE:

How close are the different collection systems for household packaging waste to the consumer's mind-set?

Consumers want to be serviced

*Let's consider the different collection systems for household packaging waste. Could you please tell me which of the following collection systems is for you ...*



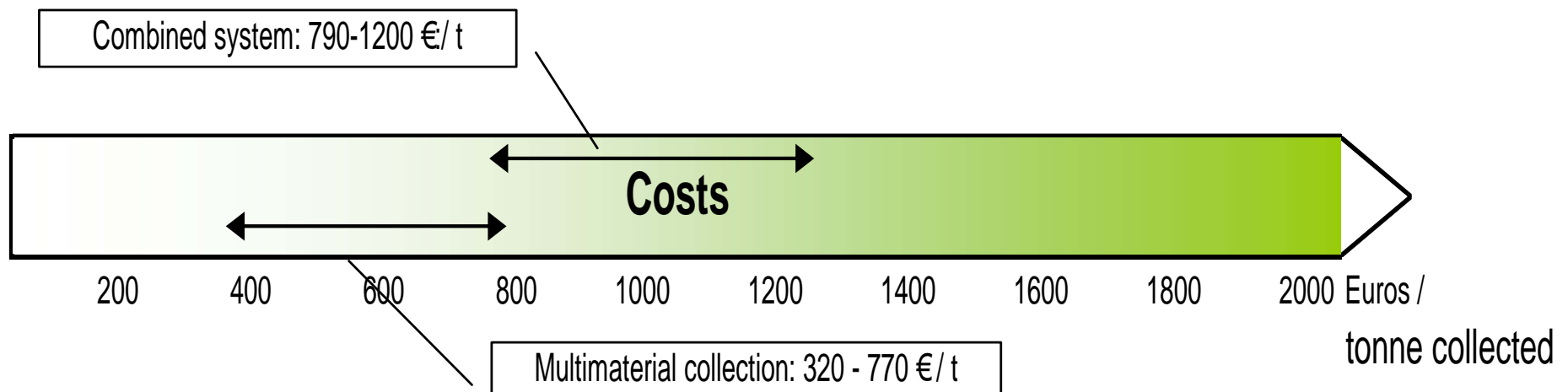
Source: TNS, 2004

Base: all (n=4506)

## COST TO SOCIETY:

Adding a deposit system for the collection of one-way drinks to integrated multimaterial schemes already in place **increases substantially the global cost to society:**

**Combined system: Deposit system added on the top of existing multimaterial scheme**

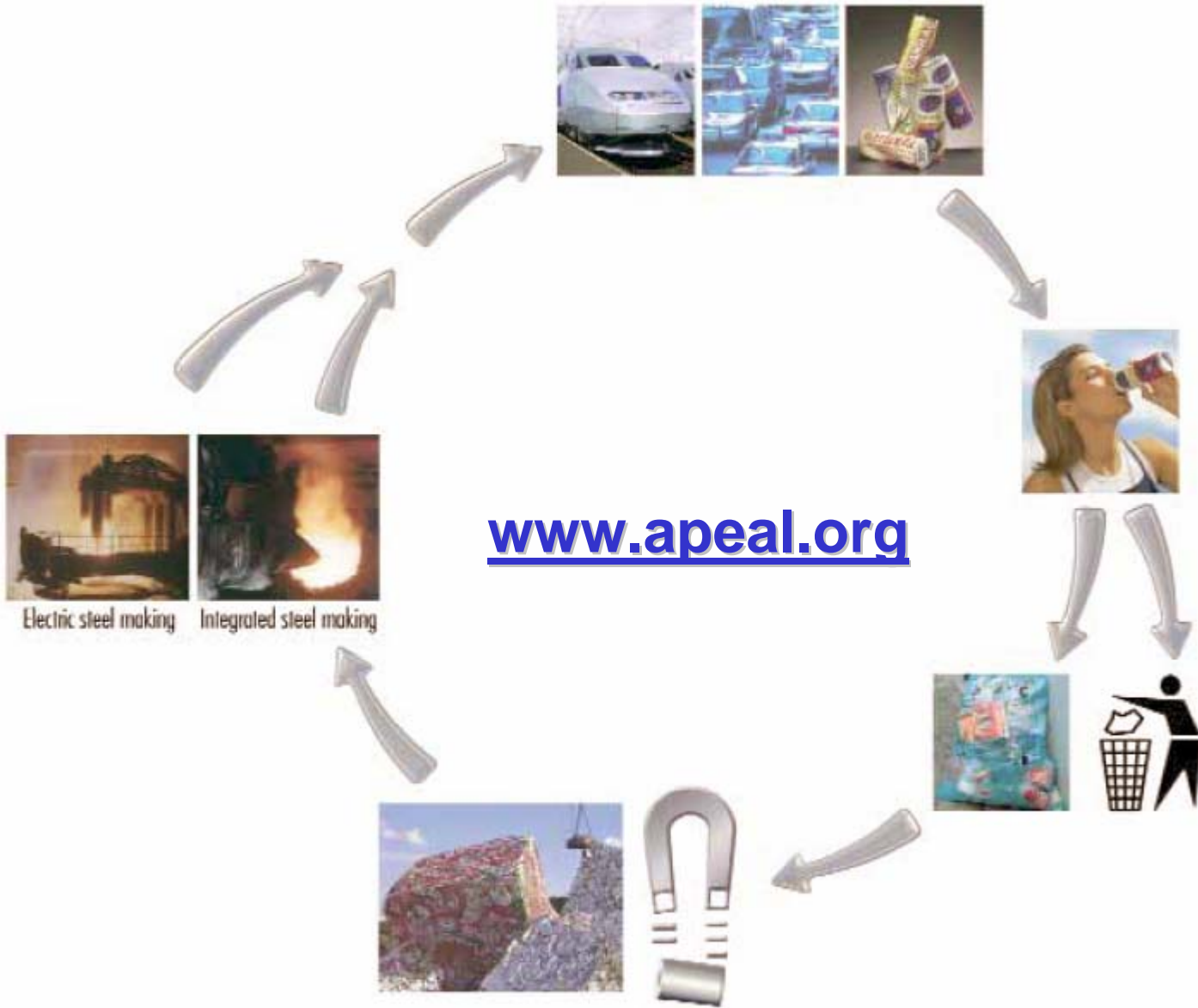


Source: Study on eco-efficiency of collection systems – BIO-IS

# CONCLUSION

- Considering that deposit systems for one-way drinks containers:
  - Are twice more costly.
  - Are less convenient for the consumer.
  - Are NOT demonstrated to contribute to higher recycling rates for all packaging.
  - And are NOT demonstrated to promote refillable containers either.
  - Are likely to disturb consumer's habits, jeopardise existing multi-material systems and distort the internal market (cf. German scenario since January 2003).
  
- **It doesn't make any sense to introduce deposit systems where integrated multi-material schemes are already successful.**
  
- **Focus on beverage packaging contradicts the current European policy and its trends in the field of waste management.**
  
- **Therefore, in the long term, we do not see any future for mandatory deposits.**





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