

Making the proposed EU ban on some single-use plastics a success for the environment and the economy

The European Commission recently proposed a Directive on the reduction of the impact of certain plastic products on the environment (COM (2018) 340 final + annexes).

As Single Use Plastics represents about half of all marine litter items found on beaches in Europe, HOTREC¹ supports taking strong actions to reduce their impact on the environment. This is necessary to preserve Europe's tourism ecosystems and competitive advantage. Nevertheless, replacing single-use plastics will be a difficult task for many small hospitality businesses which commonly use single-use straws, plates, glasses, food containers and cutlery, in particular for take-away food services and external catering events.

COSTS OF ALTERNATIVES TO SINGLE USE PLASTICS ARE A DETERRENT IN THE HOSPITALITY SECTOR

Indeed, there are currently no satisfying alternatives to single-use plastic food containers and beverage cups. In other cases, such as single-use plastic cutlery or plates, alternatives do exist but comes at a much higher price (e.g. ranging from an additional 10% for cardboard plates to an additional 50% for wood knives in some countries, with possible higher prices for higher quality products). Switching to such alternatives may therefore be an expensive move for many small hospitality businesses which operate with very low profit margins.

As 90% of hospitality businesses are micro-enterprises, HOTREC considers that, while the Commission proposal goes in the right direction, it should be amended to take into consideration that economic reality without compromising the overall aim of reducing single-use plastics impact on the environment.

USING MARKET FORCES TO REDUCE THE COST OF ALTERNATIVES: INTRODUCING A ONE YEAR DEROGATION TO THE BAN ON SOME SINGLE USE PLASTICS FOR PROFESSIONAL HOSPITALITY SERVICES

Concerning Single Use Plastics for which alternatives exist and listed in part B of the Annex, the introduction of a general ban on the placing on the market should be carefully considered given the costs of alternatives products for businesses which need single-use items to perform their professional activities.

As a pragmatic solution, we support the introduction of a separate deadline for the entry into force of a

¹ HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.9 million businesses, being 99,5% small and medium sized enterprises (90% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 11.1 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 43 national associations representing the interest of this industry in 30 different European countries.

ban on selling of products listed in part B of the annex when it concerns sales for professional hospitality/catering services. This separate deadline would allow to sell such products exclusively to hospitality/catering businesses for an extra year compared to the general deadline currently proposed by article 17-1 paragraph 2.

This specific separate deadline, and the extra year given compared to all other sales channel, would allow market forces to play their role: as the general ban would apply for all other type of sales, production of alternatives would increase, and price would go down by the time the ban would also apply to sales to supply hospitality/catering businesses. **This would limit the extra-costs to be faced by hospitality businesses**.

FLEXIBLE CONSUMPTION REDUCTION TARGETS ARE WELCOME WHEN THERE ARE NO SATISFYING ALTERNATIVES

Despite the difficulty experimented by hospitality businesses to switch to alternatives to Single Use Plastics, HOTREC considers positively the proposal to favour consumption reduction targets for Single Use Plastics for which there is currently no satisfying alternatives. This is particularly the case for food containers and beverage cups, two items which are commonly used to take-away food or drinks from hospitality businesses, and where alternatives do not yet deliver optimal health and safety performance. The timeline proposed by article 4 (six years after the end date of the transposition period) seems appropriate to allow Member States to ensure a significant reduction of the plastics listed in part A of the annex, while allowing to adjust to local consideration and needs.

MEMBER STATES SHOULD BE ENCOURAGED TO SET-UP TRANSITIONAL FUNDS TO HELP SMALL BUSINESSES FACE EXTRA-COSTS OF ALTERNATIVES AND TO INCENTIVISE THE PRODUCTION OF CHEAPER ALTERNATIVES

Besides, as it is likely that the price difference between Single Use Plastics listed in part B of the annex and their alternatives will not be cancelled fully immediately, **the proposed Directive should encourage Member States to set-up a transition fund to help small businesses** which will have difficulties to absorb the extracosts of alternatives. Besides, Member States should also incentivise the development and commercialisation of alternatives to single-use plastic at competitive prices in a shorter timeframe.

HOTREC PROPOSALS IN SHORT

- <u>Single-use plastic food containers and beverage cups (part A of annex)</u>: we welcome the consumption reduction targets and a reasonable deadline for achieving them of not less than 6 years after the 2 year-transposition period as proposed by article 4 and 17-1.
- Ban on the placing on the market of single-use plastics listed in part B of the annex: we propose
 the introduction of a one year derogation after the general ban when sold exclusively to
 professional hospitality/catering services;
- <u>Costs of alternatives</u>: the Directive should include a recommendation for Member States to setup transition funds to help small businesses switching to the more costly alternatives to Single Use Plastics which would be banned. Member States should also incentivise the production of cheaper alternatives.

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