

## The Malta Chamber of Commerce, Enterprise and Industry feedback on the Single-use plastic products strategy for Malta 2020 -2030

### Preamble

In light of the Government strategy document titled 'Single-Use Plastic Products Strategy for Malta 2020-2030', published in May 2019, the Malta Chamber of Commerce, Enterprise and Industry embarked on a comprehensive internal and external consultation process to contribute a set of recommendations that effectively tackle the issues that impact the relevant private sector in Malta at present with a view to alleviate the resulting societal and economic pressures.

For this reason, a two-fold consultation process was conducted; namely, a consultation meeting with interested and affected members and also a broader consultation process with all its members.

The relevant stakeholders included plastic and other manufacturers, bottlers of beverages, importers, distributors and wholesalers of effected products, retail outlets including supermarkets and smaller outlets, members of the HORECA industry, waste operators/intermediaries and collectors and other service providers.

Given the fluid situation of this strategy and the fact that this document will be coupled with a new regulatory framework, the Malta Chamber wishes to make it clear that this is its initial position on the matter and reserves the right to send updated reactions once more details are available. Therefore, the recommendations listed below reflect the feedback gathered by the Chamber during the consultation meeting and the broader consultation conducted with its members. The reactions are mainly based on principles rather than specific issues given that the latter would be more aptly discussed once the consultation on the new legislative framework commences.

### The Malta Chamber reactions

The Malta Chamber of Commerce, Enterprise and Industry welcomes the Strategy document. It is positive to note that the plan addresses the important issue of single-use plastics extensively, and particularly addresses the culture change that must accompany the changes needed.

Nevertheless, it is also important to be cognisant of the following challenges:

#### 1. Clarity in definitions

The Malta Chamber members from the onset request that definitions of what constitutes a single-use plastic is clarified at the earliest. The Chamber appreciates the fact that this will be carried out at a later stage once the legislative framework and proposed amendments to existing laws are discussed.

Nevertheless, many companies wish to be made aware at the earliest, on whether bio-degradable compostable products for example and other similar goods will be defined as at this stage it is not clear. Further to this, companies wish to clarify whether existing alternatives to the listed products in the Strategy will be accepted or whether these will also be considered as SUPs

## 2. Illegal Parallel Trading and online commerce

A major matter of concern for many operators remains the lax situation with regards to online shopping and importation of products which do not go through the normal channels of surveillance. In the case of the former, the Chamber therefore expects that some form of agreement is reached with postage and courier service companies in order to close this loophole. It is a fact that in many instances such as small plastic products, the online segment constitutes a large share of the market which further erodes the competitiveness of local operators.

Additionally, the Chamber feels that market surveillance is key on the way certain products, not least single-use plastics, are imported on the market especially via Sicily. The same will apply again in this case with people importing SUP goods on the market and going undetected since no reporting via intrastat is done, thereby leaving no trail of the products' existence and the operator putting it on the market. This will put this type of traders at a major advantage over other operators, who will be obliged to either pay for general clean-ups by being a member of an authorised waste management scheme, imposing on them the need to bear legible marks on their products informing customers of the most appropriate disposal options or, as in the case of plastic carrier bags, charge an increased rate of excise duty.

It is therefore of prime importance that enforcement on this type of importation is carried out once it is placed on the market and make sure that these operators either join an Extended Producer Responsibility (EPR) Scheme or voluntarily pay their share in accordance to the products they import.

## 3. The onus and responsibility of litter are solely being placed on the private sector and EPR schemes

The Malta Chamber believes it is essential that the EU takes actions to address the serious issue that plastic waste ends up in the environment and more so in our marine environment, often because consumers dispose the waste inappropriately or because of inadequate waste management infrastructure.

The Chamber is in agreement that it doesn't want to see plastic litter being thrown into our streets or plastic bottles ending up in the ocean. Indeed, we fully support the objective to prevent any such waste from ending up in the environment. **However, the way that the SUP directive (Directive (EU) 2019/904) has been enacted, 'plastic producers' will be exclusively responsible for inappropriate behaviours that go beyond their control.** Politicians should know that industry is fully committed to contribute its fair share, from waste collection to awareness raising, but the clean-up costs have the potential to put a limitless burden on producers and EPR schemes.

The Chamber disagrees with the way this is being introduced. The enforcement role that Government has in this respect should not be placed on the private sector. The responsibility of the private sector is that of joining an EPR scheme in the case of packaging and waste packaging. Why should the private be burdened with general litter as well. The costs of adding general SUP litter onto EPR systems will result in major cost increased to the private sector and potentially make these systems less sustainable. This matter has to be rectified as Governments across Europe cannot abdicate this responsibility.

The Chamber is also advocating that new heavy penalties and fines are introduced on anyone caught littering. This needs to be coupled with a strong enforcement and educational units, which can ensure that plastic and general littering is limited.

#### 4. The importance of carrying out a thorough Impact Assessment of this strategy on local industry

The Malta Chamber's members enquire whether a thorough Impact Assessment was carried out on the impact of this strategy on both local industry and local importers of the impacted products. The Malta Chamber insists, that given the small size and limited economies of scale that exist on the market, ERA should be carrying out an assessment of the impact on the business community. This besides the fact that Malta does not have the necessary waste management infrastructure and capacity to cope with the current waste being produced, effectively increasing the costs even further due to the need to export plastic products for recycling.

During the consultation meeting, ERA officials informed those present that given that the strategy goes beyond what the new EU Directive states, ERA will be preparing selected IAs over the next two years on those products and measures which are not covered by the Directive. The Chamber's members look forward to this analysis.

#### 5. Lack of Waste Management Infrastructure in Malta and the one size fits all approach

The size of our islands and that of our market limits the financial viability of having a proper waste management infrastructure as exists in most of the rest of the EU. Unfortunately, this matter was not taken into consideration in the new EU directive and as always, the EU applied a one size fits all approach. It is clear that our insularity puts us at a great disadvantage when applying these new rules in our country, not least because of the limited infrastructure and the need to export our waste for further treatment or recycling abroad. These costs are borne by local importers and manufacturers, who are already stretched to the limit due to increased operational costs from increased labour, utilities, rents, raw materials, and international competition costs, amongst others.

Although many producers and importers are trying to bring sustainable products to the Island, it is a known fact that the current infrastructure cannot be utilised to re-use or recycle these goods or materials, which is not allowing Malta to move ahead on the circular economy and turn waste into a useful product.

Essentially what this strategy will do is increase the costs on private operators without giving them the possibility of turning waste into a new resource whether energy or new recycled material.

As an example, the Chamber wishes to know whatever happened of the Waste to Energy facility which was meant to be built at the 'Maghtab' Landfill by 2023 and take on 40% of the waste which is currently landfilled.

In the conclusions of the Technical Report on the setting up of a Waste to Energy Facility in Malta<sup>1</sup> published in February 2018, the following was stated:

*"The Committee agreed with the implied conclusion of the two studies commissioned that the setting up of a Waste to Energy Plant in Malta is an inevitable step in achieving the complete Waste Management Infrastructure necessary for addressing the needs of the Maltese Islands with respect to waste management and achieving the goals of the EU Waste Acquis."*

This clearly indicates that the infrastructure is direly needed and therefore the Chamber enquires on the developments of this project.

Chamber members also recommend that Wasteserv (Malta) Ltd, as the Government waste agency, is included in discussions for Government to assist and where possible subsidise the export of plastic waste to other EU member states or elsewhere.

## 6. Lack of Enforcement

Enforcement remains the main ball of contention for this area to be governed appropriately. The Malta Chamber has time and time again repeated that more is required and that the lack of enforcement is leading to market discrepancies and unfair competition. Given that in other areas enforcement is already privatised, such as in the case of traffic management, the Malta Chamber believes that the private sector has a strong role to play and that a public private partnership could be set up to develop the enforcement capabilities of the authorities in Malta.

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<sup>1</sup> Technical Report on the setting up of a Waste to Energy Facility in Malta - [https://msdec.gov.mt/en/Waste%20Management/Documents/W2E\\_report\\_Online.pdf](https://msdec.gov.mt/en/Waste%20Management/Documents/W2E_report_Online.pdf)

## Concluding remarks

In conclusion, the Malta Chamber of Commerce, Enterprise and Industry and the members it represents are in agreement with the scope of limiting certain plastics on the market and where and when possible reduce litter on the Island. Nevertheless, there are a number of key points which require immediate attention from the Policy makers namely:

- 1) Government should not abdicate its role as the main enforcer and pass on this responsibility onto the private sector and the EPR systems.
- 2) Clarity of definitions and the need to start discussions on the new legislative framework accompanying this strategy
- 3) Proper enforcement on the general public and establish a level playing field for all operators
- 4) The need to invest in proper waste management infrastructure and where this is not possible, Government should intervene to assist the private sector to export their waste.
- 5) Carry out Impact assessments of the impact these new regulations will have on the Maltese market

The Chamber will make its resources and expertise available for any future discussions on the matter and looks forward to a constructive dialogue with ERA over the next years.