

ENV/100/03E

Brussels, 17 July 2003

Dear Commissioner,

We are writing to you on behalf of the Confederation of the Food and Drink Industry of the EU (CIAA).

CIAA wishes to express its growing concern regarding the current economic and social developments in Germany since the introduction of a mandatory deposit system on non-refillable containers for beer, carbonated soft drinks and water in January 2003.

This system has led to severe indirect discrimination against importing companies. The introduction of such a scheme has led to German retailers removing non-refillable containers from their shops because the creation of a collection system for these recipients is extremely complex, space consuming and costly.

As a consequence, imports of carbonated soft drinks / water / beer have been strongly reduced. Importing companies to Germany are indeed particularly penalised by this measure because they have to bear higher costs than local companies in order to use and transport refillable packaging over longer distances

Moreover, since the mandatory deposit scheme on non-refillable containers has been in place, the situation in Germany is chaotic and confusing for consumers. At present, a consumer who purchases a can of beer in Munich is not able to reclaim the deposit in Cologne or even from another shop in Munich! As a result, consumption of beer and soft drinks has decreased from between 10 and 14 % and thousands of jobs have been lost. Some sectors such as the brewers are severely hit as canned beer sales have dropped by 60 to 70 %.

In addition to the current lack of any national collection and settlement systems, the justification for a mandatory deposit on non-refillable beverage containers can be questioned. In a number of cases, the European Commission has stated that such a deposit scheme is a barrier to trade which can be justified only if the system is a proportionate means to achieve the environmental objectives laid down in the Directive 94/62. In Germany, these

foreseen environmental objectives have already been reached thanks to an efficient existing packaging waste recovery scheme and the green dot system of the DSD. Hence, in 1999, Germany achieved one of the highest packaging waste recycling performances in Europe with a recycling rate of 79 %. Therefore, mandatory deposit on non-refillable containers will not generate significant, if any, environmental benefit. On the contrary, it will put at risk the economy and possibly the survival of existing packaging waste recovery schemes in Germany despite their proven efficiency.

Confronted with the urgent nature and dramatic negative implications on the internal market and employment without any proven environmental benefit of the regulations on mandatory deposit on non-refillable containers in Germany, CIAA urges the Commission to take the necessary measures to rectify the current situation.

Yours sincerely

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