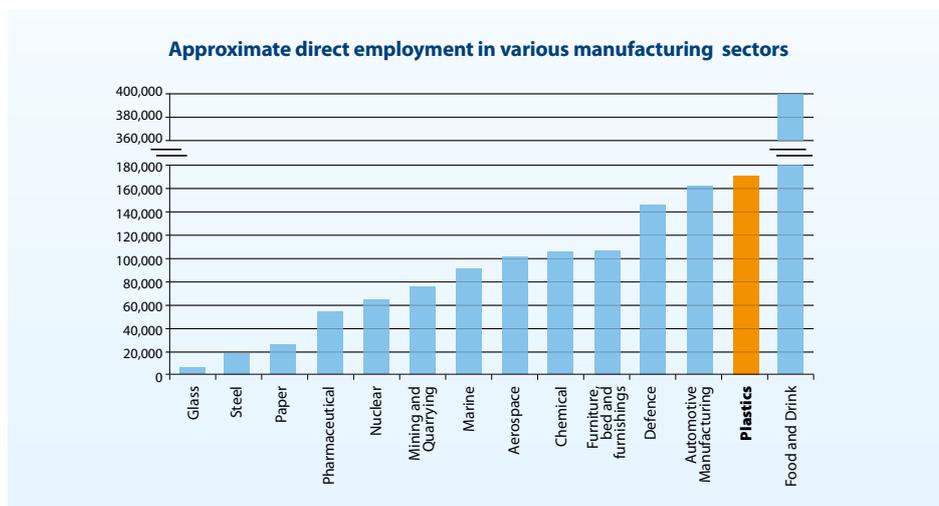


Securing the Future

Priorities for the UK Plastics Industry in a New UK-EU Relationship

Plastics — fundamental to the UK economy

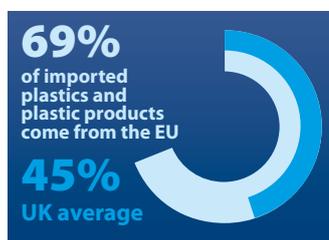
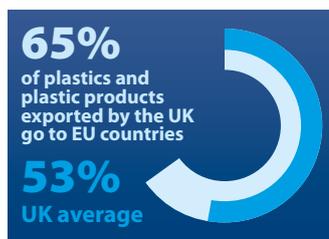
The plastics industry is one of the UK's largest manufacturing sectors — it employs more people than the pharmaceutical, glass, paper, nuclear and steel industries combined.



With a turnover of £23.5bn, this industry includes raw material producers, machinery and equipment suppliers, manufacturers of a huge range of semi-finished and finished goods, and recyclers.

Plastics underpin many sectors in the UK economy including automotive, aerospace, construction, energy, electrical and electronic, healthcare, agriculture and food distribution. None of these sectors could function effectively without plastics.

Maintaining a business climate that supports investment is crucial for the UK, as a large percentage of UK plastics companies are ultimately foreign owned. This is especially true of the larger companies.



Free access to the single market

The EU is the UK's single most important trading partner for plastics materials and products. Maintaining easy access is strategically important for the UK plastics industry.

Plastics are one of the UK's top ten exports. In 2015 exports of plastics and plastic products to the EU totalled £4.9bn. However, the UK plastics industry is heavily reliant on imports compared to other global players. In 2015 it exported £1.8bn of raw materials to EU member states but imported £3.8bn.

Whereas France, Germany and Spain all produce more plastics than they consume, the UK only produces about 50% — and some key plastics materials are not manufactured in the UK at all.

Not only is the UK plastics industry heavily reliant on imported raw materials, almost all machinery is imported — and 80% of that is sourced from the EU.

Access to skills

The UK plastics industry suffers from a severe skills shortage. It needs immediate assurance that existing EU workers in the plastics industry can stay and that companies will be able to access skilled workers in the future.

Key facts:

92% of companies are 'concerned' or 'very concerned' about the lack of skills supporting their business.

46% are currently having difficulty recruiting.

18,000+ non-UK EU citizens are employed by the plastics industry.

Current skills shortages include:

- Apprentices
- Engineers
- Shop floor staff
- Technically literate sales staff
- Technicians
- Technical managers



Maintaining and developing legislation compatible with the EU

The UK plastics industry is heavily shaped by EU legislation. In order to maintain cost-effective access to the single market, regulatory equivalence between the UK and the EU is highly important.

65% of exported plastics and plastic products go to EU countries, so providing early clarity on this issue will be hugely beneficial to the business climate. Maintaining a level of influence over the development of new UK and EU legislation would also be highly valuable for UK plastics companies going forward.

In the case of REACH, for example, close consultation will need to be maintained between government and industry to ensure the best outcome for the greatest number of UK companies.

Key EU regulations and directives include:

REACH — Registration, Evaluation, Authorisation and Restriction of Chemicals

Materials and Articles in Contact with Food Regulation

Classification, Labelling and Packaging (CLP) Regulation

Waste Framework Directive

Packaging & Packaging Waste Directive

End-of-Life Vehicles Directive

Waste Electrical and Electronic Equipment (WEEE) Directive

Restriction of the Use of Certain Hazardous Substances (RoHS) Directive

Landfill Directive

Circular Economy Package

Support for innovation and overseas business development

The UK plastics industry would like to see increased support for innovation and funding for overseas business development, as well as incentives for reshoring, to help keep the UK at the forefront of the global plastics industry.

Maintaining investment in innovation will help the UK retain its position as one of the world leaders in innovation and design in plastics.

The UK pioneered innovation in plastics. It invented the commercial plastics industry and discovered major polymers used today, including polyethylene.



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The British Plastics Federation (BPF) is a trade association with over 550 members, which represent around 80% of the entire turnover of the UK plastics industry.

This document has been created following consultation with BPF members, including a membership-wide survey that was carried out in August 2016. To download and for a full list of sources visit: www.bpf.co.uk/eu

For a complete overview of the UK plastics sector, the government-supported BPF document *The UK Plastics Industry: A Strategic Vision for Growth* can be downloaded at www.bpf.co.uk/strategy