

EUROPEN response to the call for evidence on the Single Market Emergency Instrument

EUROPEN, the European Organisation for Packaging and the Environment, welcomes the European Commission's initiative to develop a Single Market Emergency Instrument (SMEI) to better coordinate the European response to emergencies that threaten the functioning of the Internal Market and ensure complementarity with other EU crisis response mechanisms.

The Covid-19 pandemic and the ongoing conflict in Ukraine have exposed the need to make essential EU supply chains more resilient, as well as to harness the power of an integrated Single Market when it comes to managing crisis and strengthening EU's economic resilience. The packaging value chain fully supports the objective of this initiative and is keen on working with the Commission to identify policy options that can maximise crisis preparedness and response and resilience of the Single Market.

This paper complements EUROPEN's reply to the public consultation's questionnaire.

1. Recognising the role of packaging in times of crisis

The Covid-19 pandemic has demonstrated that packaging is an essential component of critical product groups, including health-related and perishable goods. For instance, packaging has proved essential for the food supply chain during times of self-isolation, ensuring the uninterrupted delivery of pre-packed goods from farms to factories, through retail and e-commerce, to consumers. Similarly, packaging played a key role in the safe delivery and preservation of medicine, including COVID-19 vaccines, and medical devices that protect and save lives. This, despite growing pressure on packaging manufacturing derived from disrupted supply chains and raising commodities prices.

As already recognised by European and UN leaders, the lack of availability of sufficient and appropriate packaging can put at risks the security of essential systems such as food and pharmaceutical products, disrupting their distribution and availability across the entire EU.

Past and current situations of emergency have highlighted how, despite its resilience, the packaging value chain is vulnerable to trade barriers resulting from uncoordinated crisis response and management mechanisms, as well as price fluctuations and other impacts on the supply of raw materials. As a first step, we therefore call on the Commission to recognise packaging and its raw materials as an essential value chain and to ensure that measures to anticipate, better communicate on, coordinate and manage emergencies (e.g., green lanes, fast-tracked procedures, strategic storage, and stockpiling systems for critical raw materials) are foreseen for the packaging supply chain in times of crises.

We also encourage the Commission to take a holistic approach to emergencies' response and coordinate this initiative with work already ongoing at EU level, such as the contingency plan to ensure food security in Europe during crises, also relying on the work of the Expert Group on the European Food Security Crisis Preparedness and Response Mechanism (EFSCM).

2. Preserving the Single Market as a key asset in managing crisis

The integrity of the Single Market is key to ensure that packaging materials and packaged goods can move freely across the EU. The free movement of goods across Member States, and between the EU and third countries, is a critical element to guarantee the supply of essential goods (such as foodstuffs, medicaments and medical equipment, and critical raw materials) during a crisis, and should not be unnecessarily suspended. Linked to this, ensuring preparedness of infrastructures is essential to prevent disruptions in the flow of goods.

During a situation of emergency, uncoordinated national responses and related trade barriers can only worsen the problem of supply chain disruption at EU level. In the early phases of the Covid-19 pandemic outbreak, for instance, unilateral measures and restrictions decided by governments resulted in the interruption of key supply chains across the EU. The packaging value chain experienced a number of critical impacts: e.g., closures and disruptions in the operations of production facilities, closure of packaging waste sorting and recycling facilities, obstacles to the circulation of packaged goods within the EU, delays at country borders for the delivery of packaged products and packaging materials.

The level of coordination needed during times of crisis can be best achieved through a single EU response system, which should be developed based on the lessons learned from the Covid-19 pandemic and in consideration of the impacts of present and future global instabilities. The Ukrainian conflict has aggravated the surge in energy and raw material prices as well as raw material availability resulting from the closure or physical damage to production sites abroad.

EUROPEN welcomes efforts made to limit the adoption of unilateral measures that can halt the good functioning of the Single Market, including the development of mechanisms to anticipate and prepare for crisis (e.g., monitoring of essential supply chains to prevent their disruption). Any such mechanism should be put in place and managed with limited administrative burden for businesses and without disclosure of business confidential information.

EUROPEN also supports the Commission intention to set out key principles to identify national measures restricting the free movement of goods, services and persons which are incompatible with the Single Market. We believe that the identification and setting of such principles could be achieved through the development of a green list of measures that Member States should adopt to safeguard the Internal Market. A more positive and non-exhaustive approach can better preserve the Single Market compared to a confined and pre-established blacklist of measures, guaranteeing that restrictions which are irreconcilable with the Single Market principles are never adopted, unless their proportionality, necessity and non-discriminatory nature is proven on a case-by-case basis.
