



The UK Packaging Manufacturing Industry - a brief for MPs & Peers

- The UK Packaging Manufacturing Industry wishes to thank all MPs and Peers who have supported the industry in the past year and who have taken the time to understand the economic importance of our industry and the fundamental role that its products plays in enabling modern lifestyles.

Some key information on our industry and its products:

- Our industry employs some 85,000 people in the UK – **representing 3% of the UK manufacturing industry workforce** – and has sales in excess of £11 Billion. Its productivity is more than double that of all industries' average performance and it is a world leader in product innovation and manufacturing technology.
- Much of our industry is owned by non-UK based companies. Increasingly, their decisions to invest in their UK based businesses are adversely influenced by perceptions of **unilateral** actions by the UK in pursuit of a low carbon economy (including carbon floor pricing) and the lack of a coherent strategy on the availability and pricing of energy. There is a real danger that this will seriously impact continued investment and employment in the industry's UK manufacturing facilities.
- For many years, packaging manufacturing companies have been major recruiters of apprentices. Much of the industry's skill base relies on this route to fulfil its employment needs. However, there are increasing concerns about the "fitness for purpose" of the educational system in delivering suitably educated and lifeskill-trained young people. In particular, the lack of effective vocational education in the UK is placing us at a significant disadvantage to many of our international competitors.
- At a time when food security, both in the UK and globally, is a major political concern, modern packaging and distribution methods in the UK enable food wastage in the supply chain to be at very low levels (3% in the UK compared to more than 40% in Russia/India etc.). The ability to maintain and grow the world's food supply will not occur without a substantial increase in the worldwide use of modern packaging and distribution systems.
- At the same time, it has been acknowledged by many organisations, including the UN, that packaging plays a vital role in minimising avoidable consumer food waste. In the UK the amount of "avoidable" household food and drink waste is far greater than that of used, unrecovered packaging and, because of embedded energy and methane from landfill decomposition, has at least **15 times** the environmental impact of this used packaging.
- The total environmental impact of packaging (including its recycling and disposal) is very substantially less than the collateral environmental damage that would arise from wasted product if the packaging was not used. Whilst doing this, packaging conserves far more resources than it ever uses. Far from being a "major environmental problem", modern packaging provides a wastage and resource efficiency "solution" and **our industry is increasingly acknowledged as playing a key role in the Green Economy.**
- Packaging is not sold to consumers – products are! Packaging is only used where products are sold and acts as a delivery system, in conjunction with modern distribution systems, for these products. Indeed, many products simply could not exist without modern packaging. Demand for packaging is directly linked to consumer demand for products. Packaging only exists because consumers and modern lifestyles require goods and services. In an era where consumers expect to buy the widest range of goods and services 24/7, this can only be achieved through packaging which contains, protects and preserves the product. On average, the overall impact of packaging is less than 10% of that of the products that it contains.
- Despite consistently increasing demands for goods and services, developments in packaging in recent years have enabled a decoupling of packaging growth from GDP growth. In the last ten years, the amount of packaging per person used in the UK has remained virtually unchanged whilst in the same period GDP and household expenditure have grown by some 20%.
- Packaging at end of life (so called packaging waste) represents a valuable and available resource for recycling and recovery – including, as appropriate, energy from waste. It is less than 20% of household waste and the small amount of unrecovered material is less than 3% of annual landfilled waste.

PLEASE SEE OVERLEAF FOR OUR REQUEST FOR YOUR SUPPORT.....

We ask our MPs & Peers to support us on the following issues to ensure that our contribution to the UK economy and employment is not challenged by policies that undermine our competitiveness or actions that fail to acknowledge the vital role that our products fulfil in our modern market economy:

- Recognition of our industry's valuable contribution to the UK economy as a major UK manufacturer with ~£11Billion sales, and 85,000 employees.
- Support for action on ensuring a level playing field across Europe in the cost, supply and taxation of energy. For most of our industry, energy costs are significantly greater than average profit margins – a feature which defines us as an “energy intensive” industry.
- Understanding that carbon impact is only created by responding to consumer demand for products and services. Pursuing a low carbon economy by “squeezing” manufacturing without addressing consumer carbon demand will lead to substantial manufacturing job losses but greater global carbon output as manufacturing moves out of the UK and Europe and goods are produced in “higher carbon”, lower cost economies. In particular, acknowledgement that unilateral UK Government action on carbon floor pricing will place the UK packaging industry and its customers at a substantial competitive disadvantage to its international competitors and reduce future investment in the industry.
- Assistance in pursuing better co-ordination of policies, activities and mind-sets between Defra, DECC and BIS that demonstrably support the economic importance of UK manufacturing industry.
- Acceptance of the need for National Guidance and Frameworks on resource management strategies so that choices made locally are in the context of a Resource Efficiency Strategy that benefits our society as a whole. This to include honest and open communication with consumers on the impacts of their demands for goods and services.
- Acknowledgement of the need for vocational education to be an important part of the UK education system
- Continued recognition of the pivotal role that packaging plays in protecting products and providing safe and secure food, drink and other product supply chains - both in the UK and, potentially, in the developing nations.
- Recognition of our environmental achievements generally – and particularly the progress made on supporting recycling & decoupling packaging growth from GDP
- Acceptance that the measurement of environmental impacts generally and those of our products in particular must be based on sound research and scientific facts.

THERE ARE FURTHER FACTS, FIGURES AND PERSPECTIVES ON OUR INDUSTRY AND ITS PRODUCTS CONTAINED IN THE DOCUMENTS LOADED ON TO THE COMPLIMENTARY MEMORY STICKS AVAILABLE TO BE COLLECTED TODAY.

For any further information, please contact:

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