

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

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### Group on Environmental Measures and International Trade

#### AGENDA ITEM 3: PACKAGING AND LABELLING REQUIREMENTS

##### Addendum

##### Note by the Secretariat

1. This addendum updates the note on packaging and labelling in light of eleven new communications to the Secretariat from delegations regarding their national packaging and labelling programmes. Since the purpose of the note is to provide generic information on types of packaging and labelling programmes, new information on types of programmes already described in the original note and its first addendum has not been included. However, many of the current communications update and provide more detail on the programmes and measures already described in TRE/W/3; in these cases, this addendum supplements the information previously obtained from publicly available sources. Reference is made, in these cases, to the original information in TRE/W/3.

##### Part I: Packaging

##### A. Mandatory requirements

###### (i) Bans

2. One country, in conjunction with its voluntary bottle return system (see TRE/W/3, page 11, para. 2) maintains a limited number of bottle types on the market to make it easy for retailers to participate in the system. Any new bottle, be it for beer or carbonated soft drinks, has to be approved; the aim is to maintain the number of bottle types on the market at any one time at around thirty. Presently it reports twenty-seven approved types on the market. However, certain conditions may apply for imported drinks, which are not subject to approval, and around 150 bottle types are on the market under such conditions.

###### (ii) Deposit-refund systems (DRS)

3. This same country also applies a DRS for nickel-cadmium rechargeable batteries following an agreement between the governmental environment protection authority (GEPA) and the retail trade and battery importers' association. This association set itself a target for at least 75 per cent returns. An administrative order imposes compliance with this requirement for non-members of the association, and public bodies have received instructions to collect nickel-cadmium batteries.

(iii) Product charges

4. This country also applies a tax on retail packaging which is defined as packaging under five litres. Packaging above five litres is considered to be wholesale packaging and is tax-exempt. A tax is also applied on disposable tableware in order to protect the environment by reducing the volume of such waste.

(iv) Government-industry agreements

5. As a result of its original waste management programme proving insufficient (described in TRE/W/3, page 21, paras. 1-2), one country has adopted new mandatory legislation, in cooperation with producers and importers and local government authorities (which in this country are legally responsible for the elimination of household waste), concerning the elimination of waste and the recovery of materials. It establishes the principle that producers or importers are responsible for the elimination of packaging waste. However, the recovery obligation is waived for manufacturers who, in cooperation with local governmental authorities, set up an alternative system for collection, sorting and recycling of refuse from households.

6. This alternative system has been approved by this Government for six years, and is the only system in operation in this country. It is financed by a small contribution per package from producers and importers, and makes use of a "green dot" to indicate participation in the system. The system determines the technical specifications to be met by used packaging in concluding agreements with packaging manufacturers. This "green dot" is also recognised by the system described in TRE/W/3, pages 16-18, beginning on para. 1 on page 16.

7. Companies not wishing to participate in the system are required to organise a take-back scheme by establishing a deposit charge which is indicated on the packaging or by organising an approved site for depositing packaging. They take responsibility for eliminating the waste thus collected, and inform the GEPA of the quantities recovered and recycled. The system does not discriminate among types of packaging and no material is excluded. Different methods of recycling are possible, including for materials or energy (incineration)<sup>1</sup>. Imports are subject to no different constraints from those imposed on national producers and may participate in different ways, such as individually or as part of a collective arrangement.

8. This system does not address industrial, commercial nor household packaging which have been given lower priority. It covers mainly packaging for transport and exterior packaging and entails sorting and recycling obligations to be observed by the parties responsible for generating wastes.

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<sup>1</sup>This is in contrast to the system described on pages 16-18 of TRE/W/3 which does not permit incineration as a means of recycling.

9. Supplemental information relating to the government-industry agreements described in TRE/W/3, pages 15-16, beginning on para. 2 on page 15, provides more detail on the programme, in particular the specific measures required to be undertaken within one year after the signing of this agreement. These measures are categorised as quantitative and qualitative preventive measures, as well as those designed to encourage product and material reuse. These measures are reproduced in the Annex to this addendum.

10. Finally, a request was made by the relevant country that the fifth sentence of the second paragraph on page 18 of TRE/W/3 be deleted. This country considers that this sentence gives the incorrect impression that particular quotas had been allocated to individual manufacturers or distributors; in fact only general quotas are required as the last sentence of that paragraph explains.

#### B. Voluntary recommendations

##### (i) Targets

11. One country, in formulating its national waste reduction targets, has established a national database for waste statistics which will form the baseline for these targets. The database will rely on regional and territorial data collected through computer software specifically designed with a waste classification methodology to meet the range of needs of different users (e.g. hazardous waste concerns, quantities of recyclables available for recycling, suitability of the waste stream for various disposal options, etc.), and suitable for different components of the waste stream.

12. The GEPA will coordinate the development of appropriate criteria for setting voluntary reduction targets for specific wastes in consultation with business sectors, government departments and the community. The criteria will include factors such as environmental risk and the level of efficiency already achieved. Each sector is expected to organise programmes to meet the targets. Also, monitoring programmes will be established to assess the efficacy of the targets, based on the information obtained from the national database. If this voluntary approach proves insufficient, the GEPA will also investigate regulatory and economic mechanisms to back-up the voluntary initiatives.

##### (ii) Voluntary government and/or industry agreements

13. In one country, the private sector has taken the initiative in forming a working group composed of representatives of different sectors (manufacturers of materials, manufacturers and users of containers, and from packaging, trading and distribution companies) which has drawn up a text of voluntary arrangements for the recovery and recycling of packaging waste after it becomes solid urban waste. The text has been submitted to the various environment and industry governmental authorities.

14. In order to manage the arrangements, an agency, comprising manufacturers, packaging and distribution companies, and a consortium, comprising the agency, the government, authorities of autonomous regions and local authorities, will be established. Local authorities are responsible for the recovery and treatment of solid urban waste, and the producers of containers and packaging agree to take back the waste recovered by the local bodies, in accordance with recycling targets to be agreed by manufacturers represented in the agency.

15. Through the agency, packaging companies will defray the cost difference between selective collection and separation, and the traditional means of recovery, through a unit charge per container or package placed on the market. The arrangement will be financed by contributions from the government and the autonomous and local authorities, depending on the tasks assigned to them. Imported products will receive the same treatment as national products, and the importer responsible for placing them on the market will be responsible for paying the corresponding unit charge as a contribution to the overall financing of the arrangement.

16. Another country has adopted a national programme to promote cooperation with the private sector in reducing the impact of packaging wastes of liquid products on the environment. This programme establishes a commission, composed of representatives from various governmental bodies concerned (planning and distribution, agriculture, industry and energy, health, commerce and tourism, environment and natural resources). It is charged with following the programme and proposing a new programme after it expires (in 1995). The commission can also propose legislation or laws to carry out the programme's objectives in the event that agreement with the private sector appears impossible.

17. The programme is concerned with liquid packaging: bottles, boxes, cartons and any other type of closed packaging that contains an ingestive liquid and which is made of glass, metal, plastic, paper or all other material. Its objectives are to inform and sensitise groups concerned with production and use of liquid packaging; to cooperate with the private sector in establishing a collection and sorting system at the source of various packaging materials; and to encourage research and development for packaging that uses less energy and is composed of recyclable and reusable materials.

18. Among the actions proposed for industry to follow are the development of programmes to promote the reuse of packaging waste; to reduce the use of energy and primary materials in the manufacture of packaging; to inform consumers; to promote new types of packaging; to examine the conditions for a progressive withdrawal of non-refillable and non-recyclable containers from the market; to analyse the problems posed by the creation and application of economic instruments on existing packaging in the national market designed to realise the programme's objectives.

19. On the basis of this programme, two subsequent voluntary agreements, one relating to glass and the other to plastic, carton and metal, were elaborated between the public and private sectors. In both, the parties affirm their intention to reduce the use of energy and primary materials in the manufacture of packaging and the volume of these materials in household waste. Targets are set for reuse and recycling of each material, and the parties commit themselves to improving industrial production technology.

## Part II: Labelling

### A. Positive labelling programmes

20. Regarding the programme outlined in TRE/W/3, on page 27, the relevant country has requested that the following clarifications be made. First this programme is entirely voluntary. The label is issued according to detailed criteria based on guidelines elaborated by a neutral panel of experts under a transparent procedure. It is consequently more reliable than advertising catchwords such as "bio", "eco" or "natural" over which there is virtually no regulation.

21. The system uses the United Nations blue angel logo underneath which appear the words "eco label because ..." giving the reasons why the label has been issued. It is issued for products which, in comparison with similar products, are considered particularly environmentally friendly from all environmental viewpoints including good husbandry of raw materials, and are equally suitable and safe. Foreign manufacturers may apply for the label in the same manner as domestic firms; as of December 1991, 18 per cent of the products for which the label had been issued were made by foreign manufacturers.

### B. Programmes to be implemented this year

22. Supplemental information relating to the labelling programme described in TRE/W/3, pages 36-37, beginning on para. 2 on page 36 provides updated information on this regional organisation's programme. Thus far, six member states have designated competent bodies which are responsible for the implementation of the programme at the national level, such as assessing applications from manufacturers or importers for the eco-label to be awarded to their products. They must base their assessments on the definitions of product groups and ecological criteria previously adopted by the regional commission. If a competent body proposes to award the label to an individual product, there is a 30-day period during which its intention is cleared with the regional commission and the other competent bodies.

23. It is expected that producers will consider it economically advantageous to apply for the eco-label. It will provide assurance to consumers that the product has been independently assessed as having a reduced environmental impact; ensure that the product is likely to gain the support of "green consumers"; and will be recognised by all member states. This regional programme does not prohibit national eco-labelling schemes by member states but the recognition by all member states of the regional programme's label makes it more attractive.

24. The programme is also open to participation by non-regional manufacturers. It requires importers seeking the label to apply to the competent body in the member state where the product is imported. In order to receive the label, imported products must meet the same criteria as products made in the regional organisation.

25. The programme is to be publicly launched in June 1993 on the basis of product group definitions for dishwashers, washing machines, light bulbs, hairspray, kitchen paper, toilet paper, writing paper, and photocopying paper, which should be adopted by then. Work is also underway to define further product group definitions which are expected to be adopted in the second half of 1993.

26. The government of one country set up an independent eco-labelling organisation in consultation with manufacturers, retailers, consumers, certification authorities and environmental groups. It will be governed by a panel of experts which includes representatives of all the above groups and the government. The organisation owns the label, sets the environmental standards for the system and monitors the use of the label. Standards are set on a product life-cycle basis, i.e. from the use of raw materials and energy during the production process, the packaging, to the processing of the product at the waste stage. Products qualifying for the label must meet the standards set for each product group; one or several products per group may qualify. The label can be requested for all consumer goods except food and pharmaceuticals.

27. Any of the above groups can request the development of an environmental label for a particular group of products. Whether the request is granted depends, among other things, on the environmental benefit of introducing such a system for that group of products. If the organisation agrees to develop standards, specialised research institutes study what standards are appropriate, and those proposed are then discussed at a public meeting which all interested parties may attend, and by the panel of experts. A final decision is then taken by the organisation and, if approved, the standards are made public.

28. Any manufacturer, importer or licensee can then submit an application for their product to be approved by one of the certification authorities recognised by the organisation. The organisation does not determine compliance with the standards; it is up to the requester to convince the certification authority. If the product meets the standards, it is awarded the label and the requester must pay an annual turnover-related fee for use of the label. Denials are kept confidential.

29. Supplemental information regarding the labelling programme described in TRE/W/3, page 33, paras. 4-6 reveals an innovative aspect to this programme: the development of product criteria under this programme will be based on criteria already established under another country's programme (described in TRE/W/3, pages 28-29, beginning on para. 3 on page 28). Local task groups have been set up to study the foreign criteria and assess their suitability for use in this country. The first product categories examined are batteries, engine oil, paints, recycled plastic products, recycled paper and household detergents. The rationale behind this innovative approach is that the two programmes are highly compatible and operate in a similar fashion with the respective governments' endorsements.

C. Other labelling programmes

30. One country has established, within its governmental trade and industry ministry, an ad hoc committee to consider environmental claims made on labelling, so-called "green claims". National legislation makes it an offence for a person, in the course of trade, to apply a false or misleading description to goods. However, there is some doubt in this country as to whether certain types of "green claims" are covered by this legislation.

ANNEX

A. QUANTITATIVE PREVENTION

1. Actions which will have a noticeable effect within one year

- The cessation, on 1 July 1991, of providing carrier bags free of charge in supermarkets. This measure will be enforced more strictly as time goes on.
- The transition, during the next twelve months, to compact washing powders resulting in the replacement of conventional washing powders by up to two-thirds of their turnover (saving on packaging materials).
- The supply, before the end of 1991, of all bottles containing spirits also without gift wrapping.
- The introduction of two cosmetic products in a single package (saving on packaging materials: 58,000 kg compared to 1986).
- The cessation of the use of shrink-wrap on trays containing pet food.
- The realisation, before the end of 1991, of a 7 per cent reduction (compared to 1986) in the weight of paper packaging used for fresh dairy products.
- The realisation, before the end of 1991, of a 14 per cent reduction (compared to 1986) in the weight of the aluminium component in aseptic beverage containers for dairy products.
- The reduction, before the end of 1991, in the weight of the most common bottle sizes for spirits to a maximum of 635 grammes.
- The reduction by 8-9 per cent in weight of the most common 370 ml jam jars compared to their present weight.
- The finalisation, in the summer of 1991, of the technical research into 30 per cent reduction of the material used in the wide necked 1/1 litre bottle for fresh milk and, if proven successful, the change over to this bottle in November 1991.

2. Actions which will have a noticeable effect within two years

- The further reduction, before the end of 1992, in the weight of the most common bottle sizes for spirits to a maximum of 600 grammes and of 565 grammes before the end of 1993.



- The omission, before the end of 1992, of boxes around the bigger dry food packaging for pet food which is transported in containers.
- The realisation of the sale of dairy products for industrial use, without packaging, with special provisions to ensure maximum hygiene (saving of material: 200,000 kg).
- The realisation of a 10 per cent reduction (compared to 1986) in the weight of a tinplate consumer pack for coffee milk.
- The effort to reduce, as from 1992, the weight of steel cans used for beer, with the intention of achieving a saving of 12.5 per cent per package (compared to 1991) by the end of the 1990s.
- The reduction, before the end of 1993, of the weight of glass packaging for vegetables, fruit and soup by an average of 7.5 per cent per package (compared to 1986).
- The reduction, before the end of 1993, of the weight of tinplate can packaging for vegetables, fruit and soup by an average of 5 per cent per package (compared to 1986).
- The reduction, before the end of 1992, of the weight of the external paper skin used for coffee packaging by 10 per cent (compared to 1986).
- The reduction, before the end of 1992, of the weight of tea-boxes by 8 per cent (compared to 1986).
- The cessation of sales, as from 1 September 1992, of the 50 ml toothpaste tubes which are commonly used and their replacement with tubes containing a minimum of 75 ml (savings of a minimum of 10 percent packaging material).

3. Projects, trials or discussions which are to start within one year

- A direct start on discussions within the supermarket chains and chain stores about alternatives to "additional" packaging.
- A direct start on discussions within the supermarket chains and chain stores about restricting so-called "promotional" forms of packaging.
- A direct start on discussions within chain stores about stopping the provision of free carrier bags.

**B. QUALITATIVE PREVENTION**

**1. Actions which will have a noticeable effect within one year**

- The start, in phases, of the replacement of lead capsules for wine bottles (phase out period: three to four years).
- The end of using beverage cartons bleached with chlorine.
- The transition to exclusive use of solvent-free inks for certain packaging for vegetables and fruit.
- The start of the exclusive use of polypropylene as plastic material in margarine containers, and the indication of this by means of a symbol.
- The realisation, in 1991, of a complete transition to water-soluble varnishes for beer and soft drink containers.
- The further reduction of the use of heavy metals in detergent packaging.
- The introduction, in 1991, of low-solvent varnishes for tinplate can packaging of several food products and technical products.
- The inclusion by the tinplate processing industry, in their terms of purchase and supply guarantee, that heavy metals are not permitted to be used in raw materials or in finished products, except for the use of tin and chromium which are necessary in the production process.

**2. Actions which will have a noticeable effect within two years**

- The further reduction of the use of PVC as a packaging material by using alternatives which are less damaging to the environment.
- The preferred use, with effect from 1 January 1992, of mono-materials when designing new tinplate packaging.

**3. Projects, trials of discussions which are to start within one year**

- Further discussions with the beer-industry about stricter stipulations regarding time limits for beer crates.
- The drawing up, in 1991, by supermarket chains and chain stores of a programme aimed at the development of alternatives to the current use of blister packaging.
- The start, in 1991, of research into easily removable labels on glass jars for vegetables and fruit.

- The completion of a test programme concerning the replacement of chlorine-bleached cardboard by cardboard bleached in another way for tea boxes.
- The build up of research into the possibility of using composition foil materials made from one basic material for pastry, biscuits, etc.

**C. PRODUCT RE-USE**

**1. Actions which will have a noticeable effect within one year**

- The expansion to 2,000 shops of providing wine in deposit bottles. The possibility will also be created in some of these shops for customers to tap wine from a cask.
- The stimulation of refill systems for liquid detergents.
- The introduction, within one year, of concentrated dishwash detergent powders in a refill system.
- The offer of concentrated fabric softeners for sale in refillable packaging, with the aim of selling one third of all fabric softeners in refillable packaging within one year (saving of 500,000 kg of packaging material).
- The transition, in November 1991, to a lighter, wide necked, deposit bottle for fresh milk and milk products (provided that in the summer of 1991 the technical trials have been successful).

**2. Projects, trials or discussions which are to start within one year**

- The evaluation, before the end of this year, of a feasibility trial of refilling packs for liquid detergents in the shop.
- The start and, hopefully, the completion within one year, of a joint project by the association of detergents manufacturers and the association of manufacturers and importers of disinfectants regarding the feasibility of deposit systems for packaging used professionally (either by industry or by institutions).
- The start of a 1 to 2 year study about packaging re-use of soup packaging when supplied for industrial processing and catering.
- The start, within one year, of discussions aimed at levying a deposit on all bottles made of plastic material for waters and soft drinks.

- The drawing up of a plan of action, immediately after this agreement has been signed, about reprocessing or reconditioning drums and big bags for industrial use.

**D. MATERIAL RE-USE**

**1. Actions which will have a noticeable effect within one year**

- The introduction, as of 1 October 1991, of a deposit on all one-way bottles made of plastic containing carbonated mineral waters and soft drinks.
- The production of information videos for households and schools with the aim of stimulating integrated, separate collection of used packaging.
- The increased collection of small glass packaging via "bottle banks" in particular by means of a large-scale promotional campaign and by means of a considerable increase in the number of bottle banks available (target for the 1990s: one "bottle bank" for every 600 households).
- The start of penetrating information campaigns, targeted at citizens, with the aim of changing their behaviour with regard to litter.
- The start of the sale of machine dishwasher detergents in bottles containing 25 per cent recycled plastic (savings of 145,000 kg of virgin plastic).
- The start of a campaign, primarily targeted at households, to separate dry cardboard and paper packaging and to have them collected separately.
- The increase, in 1991, of the recycling capacity for foil material by 10,000 tons per year; most of the foil material will come from industrial packaging materials and from the packaging materials used by offices, shops, and services.
- The increase, in 1991, of the recycling capacity for soft drink bottles made of PET used in households, by approximately 4,000 tons per year.
- All groups which are involved with or have an interest in putting packaging on the market guarantee that packaging materials originating from trial projects and which have been separated will be taken back. This material will, insofar as possible, be re-processed to a grade as high as possible.

2. Projects, trials or discussions which are to start within one year

- The start of a trial project in two large municipalities (approximately 150,000 residents) which have different planning characters, for integrated separate collection of used packaging, which is not for product re-use, among which will be aluminium packaging and glass jars.

If the objectives, which are to be determined by parties concerned, are not achieved with regard to material re-use for aluminium packaging or glass jars then deposit systems will be introduced for those forms of packaging.

- The carrying out and budgeting on a national scale of the following projects:
  - to set up and organize markets for secondary raw materials;
  - to build up capacity for the highest grade reprocessing possible;
  - to build up a network of installations for the sorting of packaging waste;
  - to store and manage left-over packaging materials.

All groups which are involved with or have an interest in putting packaging on the market will draw up a system to finance the net costs of after-separation, storage, transport, recycling and market organization.

- The increase, within one year, of the total number of urban collection schemes for beverage cartons to a final total of fifteen (including the trial projects in the two municipalities mentioned above).
- The testing, in 1991, of the collection of dry packaging in a trial area of 1,000 houses, followed by sorting and separation of the various packaging materials. Special attention will be paid to better separation of plastics for high grade reprocessing.
- The (financial) stimulation of research and development with regard to the best possible separation techniques.
- The study of the feasibility of an enterprise which can reprocess mixed plastics from households and offices, shops and services into building profiles by seven potential partners from government and industry.

- The linking up at a trial project for beverage cartons to be reprocessed in Germany aimed at high grade recycling; the components to be de-laminated are cardboard, aluminium and polyethylene.
- The preparation of a project where polyolefine streams are reprocessed into industrial packaging applications (pallets).
- The carrying out of projects aimed at the separation of material from used beverage cartons into components.