



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

MARCH 2025

New EU rules on packaging and waste will transform its supply chain

MARKET INTELLIGENCE REPORT

Summary

- The European Union's new [Packaging and Packing Waste Regulation](#) (PPWR) represents a drastic shift for participants across the supply chain, both in the EU and globally. The regulation updates an existing Directive and is designed to push businesses in the EU and globally to adopt more sustainable packaging practices, reduce waste, and improve rates of recycling and re-use.
- The regulation includes a ban on single-use plastics in various industries, sets phased targets for making packaging more recyclable and compostable, requires increased use of recycled materials, and introduces new rules for labelling. It will also implement design rules to minimise weight and volume of packaging, introduce re-use and re-fill targets, and set strict limits on certain chemicals in food packaging.
- The rules will impact a wide range of supply chain participants – from manufacturers and distributors, through to retailers and wider service providers, who will need to know their packaging impact at an unprecedented scale and make changes to their operating models.
- The PPWR's wide range of requirements and targets will come into effect in a staggered way, starting from mid-2026 through to at least 2040. Meeting them will require close monitoring from in-scope economic actors who are under an extended producer responsibility obligation to ensure compliance.
- There may be opportunities for New Zealand businesses in the cleantech and sustainable packaging solutions sectors, who can contribute to the EU's transformation.

Report

The EU's updated rules to address the sustainability of packaging and tackle packaging waste entered into force on 11 February 2025.

The PPWR's numerous targets and requirements will come into effect in a staggered manner from mid-2026 onwards to at least 2040. The measures will significantly impact how packaging is produced, imported, distributed, and disposed and recycled as part of an integrated circular economy.

Who is affected?

At a practical level, the PPWR will impact 'economic operators' (businesses), including manufacturers, suppliers, importers, distributors, EU representatives acting on manufacturer's behalf, and fulfilment service providers (i.e. those providing warehousing, packaging, dispatching, and other similar services).

As part of 'extend producer responsibility' obligations, businesses will need to guarantee that packaging material placed on the EU market conforms with the PPWR's key provisions. Some businesses will also be required to document the quantities of packaging material used across 22 categories (including glass, paper, metal, and plastic, wood, natural and synthetic textiles, and ceramics) to the EU Member State where the packaging is produced or first made available.

What are the key requirements?

Recyclability of packaging

From 2030, packaging will have to be designed at incrementally increasing grades of recyclability. Anything less than grade 'C' or under 70% - using a methodology produced by the European Commission - won't be able to be placed on the EU market. By 2038, packaging will have to be at grade 'B' (80% recyclable) and eventually grade A (95% or above).

Minimum recycled content

The PPWR sets minimum targets for the percentage of recycled content across several categories of packaging. These targets will increase over time. For example, 30% of single-use plastic beverage bottles should be made of recycled material by 2030, rising to 65% in 2040.

The minimum recycled content requirements apply equally to packaging and packaged products that are made in or imported into the EU. Imports may only enter the EU market when originating from countries that have rules for recycling operations equivalent to those in the EU focused on preventing and reducing air, water, or land emissions.

Minimising substances of concern – including PFAS

The PPWR builds on existing EU legislation, such as the Persistent Organic Pollutant (POP) and [REACH Regulations](#), which restrict the use of Per- and Polyfluoroalkyl Substances (PFAS) and other hazardous chemicals in food packaging and other consumer products. From 2026, there will be an almost complete ban on PFAS in food contact packaging.

Compostable Packaging and Labelling

By February 2028, certain categories of packaging and labelling will need to be compostable. This includes permeable tea, coffee, or other beverage bags; other soft after-use system single-serve units, such as coffee pods; and sticky labels affixed to fruit and vegetables.

Packaging minimisation

From January 2030, the PPWR aims to cut back on unnecessary packaging in two main ways:

- Packaging sold in the EU will need to be designed to minimise its weight and volume to the greatest extent possible while remaining functional.
 - This means a prohibition on packaging designed to make the volume of products look bigger, such as double-walls or false-bottoms.
 - Exceptions to the Regulation include packaging designs protected by trademark and design rights, EU geographical indications, or where the result of minimising packaging would make the product's novelty or trademark indistinguishable.
- Grouped packaging, transport, and e-commerce packaging will need to adhere to a maximum 'empty space ratio' of 50%. This ratio is the difference between the total volume of the packaging and the volume of the sales goods contained within it, with materials like bubble wrap or Styrofoam chips being considered 'empty space.'

Single-use plastics ban

Several categories of single-use plastic packaging will be banned entirely, particularly impacting the hotel, restaurant, and catering (HORECA) sector.

From January 2030, banned products will include:

- single use packaging for pre-packed fruit and vegetables of less than 1.5kg;
- food and beverages filled and consumed within hotels, bars, cafes, and restaurants;
- single portions for items like condiments, sugar, or coffee creamers;
- small cosmetic or toiletry products in the hotel sector; and
- very lightweight plastic bags.

Re-use and re-fill targets

The PPWR sets staged re-use targets (in 2030 and 2040) applying to areas such as transport, and in grouped and sales packaging (such as pallets, plastic trays, crates). The targets will apply to products distributed through e-commerce channels. [1] There are also 2030 and 2040 targets for beverage packaging, both alcoholic and non-alcoholic with exceptions for milk, wine, aromatised wine, and spirits. [2]

By February 2027, businesses in the HORECA sector providing takeaway services must allow consumers to use their own containers to obtain ready-prepared food products, and hot or cold beverages at no higher cost or less favourable conditions than using single-use packaging. By February 2028, those same HORECA businesses must allow the option of obtaining the beverage or food products using re-usable packaging within a re-use or re-fill system provided by the business itself.

Harmonised labelling system and green claims

By mid-2026, the European Commission will develop a harmonised EU label (including for e-commerce goods) that will indicate material composition of packaging and help consumers sort packaging waste, to be in use from August 2028. An additional label indicating the reusability of the packaging will also be required from February 2029. Finally, there will be an EU-wide label indicating if packaging is subject to a 'deposit and return' scheme – though Member States can choose to use their own specific national label for this.

QR codes may be used to provide additional information, but any 'green claims' made on packaging can only be made if they go beyond the PPWR's minimum requirements. Where a product falls under the EU's separate Eco-design for Sustainable Products Regulation (ESPR) which is developing 'Digital Product Passports' (DPPs), the DPPs should also be used to provide the information required by the PPWR. [3]

Any green claims beyond those in the PPWR will be addressed in the Green Claims Directive proposal currently being negotiated between the European Parliament and Council of Member States.

Impact and opportunities for New Zealand manufacturers and exporters

Given the complexity of the various requirements under the PPWR, its impact on specific sectors in New Zealand will be varied. However, any businesses trading both directly and indirectly on the EU market should conduct their own analysis of the PPWR's impact – particularly considering the packaging demands created by New Zealand's distance to market.

The increasing demand for sustainable packaging services and solutions created by the PPWR may also present some opportunities for clean tech, recycled or green packaging, and re-use solutions providers. For example, the role of bio-based plastics may play a pivotal role following a planned review of the PPWR's recycled content targets which will assess the role bio-based plastic material for food contact packaging.

Noting the staggered implementation of the PPWR over the coming years, it is essential that affected businesses assess both how and when they will have to comply with various elements of the PPWR, or risk breaching their extended producer responsibility obligations.

[1] Exceptions apply in some cases, such as transport of dangerous goods, large-scale machinery, and packaging which comes in direct contact with food, food ingredients, or feed.

[2] It is possible for Member States may grant up to five years' worth of exemptions under certain conditions, and the Commission can also provide exemptions another set of conditions.

[3] DPP categories under development between now and 2030 include textiles, furniture, consumer electronics, chemicals, and construction products.

More info

More reports

View full list of market reports from MFAT at www.mfat.govt.nz/market-reports

If you would like to request a topic for reporting please email exports@mfat.net

To get email alerts when new reports are published, go to our [subscription page](#).

To learn more about exporting to this market, New Zealand Trade & Enterprise's comprehensive [market guides](#) cover export regulations, business culture, market-entry strategies and more.

To contact the Export Helpdesk

email exports@mfat.net

call 0800 824 605

visit Tradebarriers.govt.nz

Disclaimer

This information released in this report aligns with the provisions of the Official Information Act 1982. The opinions and analysis expressed in this report are the author's own and do not necessarily reflect the views or official policy position of the New Zealand Government. The Ministry of Foreign Affairs and Trade and the New Zealand Government take no responsibility for the accuracy of this report.

Copyright

Crown copyright ©. Website copyright statement is licensed under the [Creative Commons Attribution 4.0 International licence](#). In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms.