



Making Business Sense

## The potential future contribution of bio-plastics to the UK economy

From compostable cutlery at the London Olympics to coffee cups in Waitrose, UK consumers are coming into contact with bio-plastics with increasing frequency. Yet little work has been done to assess the current and future economic contribution of the bio-plastics industry to the UK. **As such, the results in this Cebr report are the first of their kind.** Their results highlight that bio-plastics have the potential to become an evermore integral part of the UK economy – but only with a supportive regulatory framework.

### The opportunity

This study reveals that in 2014 bioplastics provided the following economic benefits to the UK:

- An estimated 1,000 jobs are supported by the industry.
- Around £28.2 million in gross employee compensation
- £50.5 million gross value added (GVA) to the economy

However, Cebr's analysis shows that *"given the right conditions, in particular a proper legislative and commercial framework that would enable the development of a UK bio-plastics sector"* domestic production of bioplastics could rise to 120,000 tonnes.

Cebr predict that this level of production would:

- **Support 35,000 jobs in the UK**
- Pay around £1.01 billion in gross employment compensation
- **Add roughly £1.92 billion of gross value added to the UK economy.**

They also underline that the UK bio-plastics sector has the potential to simultaneously: increase economic output; provide jobs; drive research and innovation; promote the efficient use of resources and contribute to sustainable economic growth. Throughout this report, Cebr finds that the motivation for developing a domestic bio-plastics sector lies as much with the range of economic opportunities that a UK bio-plastics sector can offer, as it does with the opportunities to improve the country's resource efficiency and sustainability.

### How to realise the industry's full potential

According to the Cebr - for the UK to fully capitalise on the industry's potential, a technological, legislative and commercial environment conducive to the development of a domestic bio-plastics industry should be in place. **To achieve this, the UK can learn from the examples set by Europe, the USA and Asia.**

- **A public procurement approach is needed.** As the US has shown, public sector support can help initiate private sector investment.
- **Political support is crucial.** The UK government should do more to incorporate the economic potential of the bio-plastics sector into the country's wider growth strategy. The EU's "Europe 2020" is an example of how support for the bio-plastics industry can be integrated into the continent's strategy for achieving sustainable economic growth.
- **Legislative support can also drive growth.** Bans on plastic carrier bags have been introduced in Italy, France, California and Hawaii – and have demonstrated that objectives such as reducing littering can result in other wide-reaching policy benefits such as efficient food waste collection and treatment.
- **Unambiguous standards and labelling.** The full potential of a bio-plastics industry in the UK will only be released if consumers are able to recognise the sustainability benefits of these products and distinguish these from products falsely claiming biodegradability.