Ingka Investments, the investment arm of Ingka Group, the largest IKEA retailer, and owner of Morssinkhof Plastics, is deeply concerned by the potential introduction of an additional duty that would apply not only to virgin PET, but also to food-grade recycled PET, including imports from the European Union. We believe, that such a measure would undermine the United Kingdom's circular economy objectives, including the incentive to increase recycled content in packaging created by the UK's Plastic Packaging Tax.

Morssinkhof Plastics is a leading European recycler producing approximately 500,000 tonnes of recycled plastics annually, including 200,000 tonnes of recycled PET, across 13 facilities in Europe. Morssinkhof has been a supplier of recycled PET to the UK since 2008. A substantial share of the UK's nearly 30,000 tonnes rPET (2025) imports from the Netherlands comes from Morssinkhof. For Morssinkhof, the intended duty could effectively halt all exports of rPET to the UK.

The UK market for PET is estimated to be over 550,000 tonnes per year. The UK's Plastic Packaging Tax aims to have a minimum recycled content threshold of 30% - resulting in a minimum requirement of 165,000 tonnes of rPET per year. With low recycling capacity, the UK is hardly meeting today's demand and leaves no room to deliver the volumes needed for large-scale, local closed-loop solutions nor growth in terms of quantities nor qualities. Additionally, current system does not cater for brand-owner requirements, like targets going beyond the 30% recycled content defined by the UK's Plastic Packaging Tax.

Introducing a duty on PET imports would therefore have consequences far beyond the protection of domestic virgin PET production. The proposed duty risks constraining access to the recycled content needed by UK manufacturers and brand owners to meet commercial and regulatory requirements. It will also push the UK and the EU farther apart – instead of bringing the parties together for the benefit of a circular economy in Europe. Together, this all would likely result in higher consumer costs.

More broadly, the duty would send a negative signal to recyclers and investors, such as ourselves, seeking to scale circular material solutions in the UK market. Food-grade PET recycling capacity in the UK, will support, among other things, the UK's push for industrialisation, but is reliant on the UK's intended waste reforms to be in place, most importantly a well-functioning deposit return system for bottles. In our view, waste reforms are the right long-term route to strengthening domestic UK recycling capabilities, reducing dependency on rPET imports and PET waste exports.

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