

PRN Market Press Release

2021 Obligation Data

A comment from Head of Trading, Tom Rickerby

“With 87 fewer producers registered than at this time last year and over 700 less than at the close of the 2020 compliance year the initial release of the obligation data gives us a good insight into the change in packaging consumption during the pandemic.

Despite there being less companies registered packaging handled has increased in all materials with the exception of Wood. The most notable growth has come in Aluminium and Glass up 9% and 4.5% respectively Year on Year with Paper also showing a 4% increase. When coupled with increased targets we are now likely to see growth in obligations for all materials except Wood which has seen a 13% target reduction from 2020. There does however remain a possibility that obligated producer numbers do not reach the same levels as last year owing to business closures.

The rise in packaging placed on the market in 2020 and subsequent increase in PRN obligations for 2021 has largely been offset by good recycling capture rates and a surge in both prices and demand for secondary commodities in Quarter 1. Strong PRN generation has seen PRN prices in Paper, Wood, Steel, Aluminium and Plastic soften from the beginning of the compliance year. However, this week’s news of a Plastic import ban into Turkey is likely to overshadow its comfortable start to the year.

Glass Remelt is the one material currently struggling to meet a significant jump in its 2021 obligation. Confirmation of a Q1 supply deficit has pushed PRN prices up 24% to a 28 month high of £43.50 per tonne on the t2e Spot market.”

About t2e: *The Environment Exchange (t2e) provides a transparent trading platform where members can trade PRNs. t2e’s unique position lets members use the power of the marketplace to gain access to the best available prices, which are displayed live on the trading boards. Trading is made easy with our dedicated account management service and swift settlement process. Members are kept informed with daily, weekly, monthly, and quarterly market reports. To find out more about t2e’s smart, simple, and safe trading, visit the website (www.t2e.co.uk) or call the trading line on 0131 526 3040.*

Background Information: *Under the Producer Responsibility Obligations (Packaging Waste) Regulations 2007, UK companies that produce packaging have a legal obligation to contribute to the cost of recycling this packaging. They do this by purchasing Packaging Recovery Notes (PRNs), which are produced by UK firms that recycle packaging or export it for recycling elsewhere. The legislation applies to companies who handle (manufacture, convert, pack/fill, or retail) over 50 tonnes of packaging per year and have an annual turnover of over £2 million.*

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