

## NAPCOR POSITION: PET RECYCLING RATE GOAL FOR 2013

**WHEREAS**, the annual PET container growth rate is estimated at 3% annually, so the volume of PET available for recycling will be approximately 5,795 MMlbs. by end 2013.<sup>1</sup>

**WHEREAS**, the end-use markets for recycled PET continue to expand, and RPET usage demand is estimated at no less than 2,080 MMlbs. by end 2013.<sup>2</sup>

**WHEREAS**, with PET bale yields estimated at 75%, an RPET end-use requirement of 2,080 MMlbs. of clean flake will require 2,800 MMlbs. of PET bales to produce.

**WHEREAS**, domestic PET reclamation capacity continues to expand and innovate to meet market requirements and demand.

**WHEREAS**, we cannot predict the buying patterns of the export markets, and therefore have not included these volumes in our analysis.

**WHEREAS**, major brands Nestle, Pepsi and Coke have publicly stated goals for bottle recovery (or equivalent bottle recovery) at 60% by 2018; 50% by 2018; and 50% by 2015, respectively.

**WHEREAS**, Pepsi recently introduced a bottle made from 100% recycled PET in Canada and plans to expand production of this bottle.<sup>3</sup>

**WHEREAS**, 2,800 MMlbs (the estimated RPET volume required to meet demand by 2013) as a percentage of 5,795 MMlbs (the estimated volume of PET available for recycling by 2013) yields a recycling rate of 48%.

**THEREFORE**, based on estimated PET market growth, strong RPET demand, and growing domestic reclamation infrastructure, NAPCOR anticipates requiring a recycling rate of no less than 48% by end 2013.

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<sup>1</sup> Predicated on 2009 PET Recycling Rate Report figure of 5,149 MMlbs, [http://napcor.com/PET/pet\\_reports.html](http://napcor.com/PET/pet_reports.html)

<sup>2</sup> 2,080 MMlbs of clean flake equivalent. Estimated end-use markets include: PET Bottles (580 MMlbs.), Thermoforms (700 MMlbs.), Fiber (500 MMlbs.), Strapping (200 MMlbs.) and Engineered Resin/Composite/Other (100 MMlbs.). PET Bottle volumes take into account an average 10% RPET usage; PET Thermoform volumes, an average 25% RPET usage.

<sup>3</sup> Based on July 14, 2011 public announcement.