



# WPS INSIGHTS

**Flexible Packaging Industry**

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## EDITORIAL

Flexible packaging buyers are working with rules that are becoming more precise while the economics around them grow less predictable. In the UK and EU, questions about what counts, whether recycled content or stock already in the supply chain, are being answered in more specific terms. That precision matters most to teams planning packaging changes against fixed dates.

Set against that, the commercial backdrop is unsettled. Billions of dollars in cross-border plastics trade could be at risk if the Section 338 dispute with Canada escalates. Primary polymers and industrial chemicals are not on Canada's official list, but the dispute could widen. Meanwhile, newer formats such as monomaterial pouches arrive with performance and sustainability claims that come largely from their makers, which calls for careful reading.

For decision-makers, the shared thread is that dates, definitions and evidence can carry as much weight as material choice. The articles that follow show where the deadlines fall, which claims still rest on maker testing and how exposed the plastics trade is to the current dispute.

## EXECUTIVE TAKEAWAYS

Four stories this issue show recycled-content and stock rules getting sharper while a tariff dispute with no USMCA exception and maker-supplied performance claims keep the practical picture uncertain.

### 01 Recycled-content rules are tightening on type, not just quantity

From April 2027 the UK Plastic Packaging Tax is due to recognise only post-consumer recycled content against its 30% minimum threshold, and Amcor's certified 30% PCR films for Tiptree illustrate one supplier response.

### 02 Existing packaging stock faces no PPWR sell-off deadline, but proof of stock is undefined

Packaging already on the market before 12 August 2026 has no cutoff date for resale. The clarification names no documents that would prove existing stock, and the updated FAQ that is due to carry it has no publication date.

### 03 A tariff dispute with no USMCA exception could widen fast

Section 338 tariffs on Canadian imports carry no USMCA exception, unlike recent US tariff actions, and Canada's official counter-tariff list is set effective 8 September 2026 on C\$27.6 billion of US imports, with polyethylene sacks and bags among its 50% items. Canada is one of the biggest trade partners the US has for several commodity plastics, polymers of ethylene and propylene most exposed, so an escalation would cut both ways rather than favor US producers alone.

### 04 Performance and sustainability claims on new formats mostly rest on their makers

The figures for SÜDPACK's pouch are design intent, with shelf-life parity resting on internal testing, the footprint gap of more than 40% coming from an internal calculation with no stated life-cycle scope, and the recyclability rate of more than 95% resting on the CHIRA software analysis SÜDPACK cites, with no independent certification disclosed alongside it.

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# UK Plastic Tax to Count Only Post-Consumer Recycled Content

## WHY IT MATTERS

From April 2027, the type of recycled plastic behind a pack is due to matter as much as the quantity. The UK's 30% minimum threshold for recycled plastic is due to become a matter of post-consumer content alone, with post-industrial material no longer counted toward it. That makes film specification a natural place to test readiness for the Plastic Packaging Tax.

### April 2027

Date the UK Plastic Packaging Tax changes are due to take effect

### 30%

Post-consumer recycled content in each of the two Amcor films Tiptree has adopted

### 2

Amcor UK sites producing the films, Leominster and Bromborough

## HIGHLIGHTS

- Tiptree's shrink film and pallet stretch wrap now use Amcor films with certified 30% post-consumer recycled content, in a partnership aimed at preparing for the UK Plastic Packaging Tax changes.
- Come April 2027, the UK's 30% minimum for recycled plastic is due to be met with post-consumer content alone, and post-industrial material is due to fall out of the count.
- Independent certification covers the PCR content of both films, and both carry RecyClass Recycled Plastics Traceability Certification under EN15343.

### → What Is Changing in the UK Tax

- Significant changes to the UK Plastic Packaging Tax are due to apply from April 2027.
- PIR (post-industrial recycled) material is due to stop qualifying against the 30% minimum threshold for recycled plastic, and PCR (post-consumer recycled) content is the only type due to be accepted.

### April 2027

*The switch is about which kind of recycled material qualifies, so a film relying on post-industrial content is due to stop helping meet the threshold.*

### → What Tiptree Has Moved To

- Tiptree, a preserves and spreads brand, belongs to Wilkin & Sons.
- For shrink applications Tiptree now uses a collation shrink film from Amcor that carries RecyClass certification, and for pallets it uses Bontite Sustane stretch wrap.
- Each film incorporates 30% PCR content, and that content level is independently certified.
- Production of the two films takes place at a pair of Amcor UK sites, Leominster and Bromborough.
- Financial detail (cost, PCR price, contract length), scale (volume, tonnage) and timing (start date) are all absent for the switch.

## LESSONS &amp; ACTIONABLES

Brands with UK packaging exposure may want to check whether the recycled content in their shrink and stretch films is post-consumer rather than post-industrial ahead of April 2027.

## Recyclable PP Pouches Reach Drinkable Yogurt on Maker-Supplied Evidence Alone

### WHY IT MATTERS

PET, aluminum and PE laminates are common here, and conventional laminates typically go to energy recovery rather than mechanical recycling at end of life. SÜDPACK's CarbonLite PurePP pouch extension into cold-filled drinkable yogurt is designed to match that shelf life while fitting the PP recycling stream instead. Only the maker supplies these figures, shelf life resting on internal testing, the footprint gap on an internal calculation with no stated life-cycle scope, and recyclability on the CHIRA software analysis SÜDPACK cites, with no independent certification disclosed alongside it, so they read as design intent, not independent proof.

### More than 95%

Recyclability rate the pouch design targets, per a CHIRA software analysis

### More than 40%

Lower CO<sub>2</sub>e footprint per square meter versus a PET, aluminum and PE laminate, internal calculation

### 111 µm

Film thickness of the mono-PP pouch, compared with 103 µm for the laminate

### HIGHLIGHTS

- SÜDPACK's CarbonLite PurePP monomaterial spouted pouch range now also targets cold-filled dairy beverages, drinkable yogurt among them, in a growing protein-rich dairy market where bottles are the incumbent format.
- The films are designed to hold shelf life on a par with PET, aluminum and PE laminates, a claim resting on internal testing.
- Against a 103 µm PET, aluminum and PE laminate, the 111 µm mono-PP pouch runs more than 40% lower on CO<sub>2</sub>e footprint per square meter, in an internal calculation with no stated life-cycle scope.

### → Adapting the Pouch to Dairy Filling

- Extrusion expertise and fruit puree filling work with machine and spout suppliers gave SÜDPACK the groundwork here; the design targets machinability on standard production machines at high cycle rates, tailored oxygen and water vapor barriers, and UV-C or hydrogen peroxide cold-filling routes to cut microbial load.
- Product safety is what the design is intended to deliver, through sealing performance and a securely fitted spout meant to hold strength and stay leak-tight under real-world stress.

- Who is using the range is not given (no customer, brand or filler), nor are the launch date, price or volume.

#### → Recyclability and Footprint Claims in Context

- The pack, spout included, is designed to fit within the PP recycling stream, and a CHIRA software analysis puts the design's recyclability above 95%, intended to align with PPWR's design principles; no independent certification is disclosed, so it stands as the maker's own.
- Design-for-recycling requirements, covering recyclability and material efficiency, are the area where SÜDPACK is aiming to help brand owners rework their portfolios early.
- The two paths diverge once the product is spent, the conventional PET, aluminum and PE laminate typically routed to energy recovery while the mono-PP pouch is built for mechanical recycling instead.
- That footprint edge holds only within this one comparison, 111  $\mu\text{m}$  against 103  $\mu\text{m}$ ; no life-cycle scope or outside check accompanies the maker's own numbers.

**More than  
40%**

*Treat this as one supplier's own math, not a verified environmental claim.*

#### → Retail Fit and Support Path

- The pitch blends modern convenience with sustainability goals, filling requirements and shelf appeal, presentation strong enough at retail to pull a brand ahead of a crowded dairy case; a named support path, application-specific sampling, material and packaging testing, technical consulting, and help on footprint and recyclability, runs alongside the product from concept to market.

### LESSONS & ACTIONABLES

Dairy and beverage brands weighing pouch formats may want independent verification behind the CHIRA-based recyclability figure and the footprint comparison's life-cycle scope, and can use SÜDPACK's consulting and testing support to pressure-test fit first.

## Stock Placed Before 12 August 2026 Faces No PPWR Resale Deadline

### WHY IT MATTERS

Packaging that predated the PPWR's application date left businesses unsure how to treat it, small and medium-sized enterprises especially. The clarification addresses stock already on the market, while leaving open which documents count as evidence of it. Evidence of timing may matter as much as the packaging itself.

12 August 2026

Date the EU PPWR applies from

None

Sell-off period provided for in the PPWR

21 August 2026

Date of the written answer containing the clarification

HIGHLIGHTS

- The PPWR sets no sell-off period; packaging already on the market before 12 August 2026 can keep selling afterward with no time limit.
- A sale from a manufacturer or importer to a distributor already counts as market placement, so warehoused stock is treated as placed.
- Stock made before the cutoff but not yet placed need not be scrapped, remade or relabelled; labelling details can travel in an accompanying document.

→ How Market Placement Is Defined

- Market placement in the EU happens the first time a manufacturer or importer makes packaging available; only stock still unplaced by 12 August 2026, the date the PPWR's requirements apply from, is bound by them, since they do not apply retroactively.

No time limit

*Existing stock carries no built-in resale deadline, so the rule does not itself create a clearance date.*

→ Treatment by Situation

| Situation on 12 August 2026                                                         | Treatment under the PPWR                                                                                                                                                     |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Packaging already with a retailer                                                   | Treated as already placed on the market, and sales can continue                                                                                                              |
| Packaging or a packaged product sold by a manufacturer or importer to a distributor | The transaction counts as placing on the market                                                                                                                              |
| Packaging not yet placed on the market                                              | Must meet the PPWR requirements applying from that date                                                                                                                      |
| Packaging manufactured ahead of the cutoff but awaiting market placement            | Need not be scrapped, remade or relabelled; the unique identification and the manufacturer's name and address that labelling requires can travel in an accompanying document |

→ Open Points and Status

- One point remains open, since the clarification does not specify what documentation would satisfy market surveillance authorities as evidence that stock already existed; it comes from a European Commission written answer dated 21 August 2026, prompted by a Member of the European Parliament's enquiry, and an updated PPWR FAQ is due to carry it, though no publication date has been given. The answer explains how the PPWR applies; it does not amend it.

## LESSONS & ACTIONABLES

Converters and brand owners holding inventory that predates 12 August 2026 may want to review when each lot reached a distributor, wholesaler or retailer, since accepted proof is not yet specified.

# Section 338 Could Put Billions in US-Canada Plastics Trade at Risk

## WHY IT MATTERS

Section 338 is the mechanism behind a fresh US tariff, 50%, that now touches a limited slice of Canadian imports, and unlike recent US tariff actions it carries no USMCA exception; Canada's own counter-tariffs are set effective 8 September 2026. Polymers of ethylene and propylene sit at the center of the trade relationship this dispute puts at risk, with Canada ranking among the largest US partners buying and selling both ways. Primary polymers and industrial chemicals have stayed off Canada's list so far, though finished plastic items are on it, and the dispute could widen. Section 338 itself carries open legal questions that could decide how freely the president can impose tariffs without Congress or an ITC investigation.

### 50%

Rate of the new US tariff on a limited slice of Canadian imports under Section 338

### 60

Trading partners now facing the latest round of US Section 301 tariffs

### #1

Canada's US import-source rank for six of nine tracked plastic polymer categories, per ITC data

## HIGHLIGHTS

- Billions of dollars in US-Canada plastics trade could be threatened if the Section 338 tariff dispute continues to escalate, though plastics and chemical flows had come through largely intact by late August.
- Section 338 tariffs carry no exception for imports qualifying for preferential USMCA treatment, a break from recent US tariff policy that creates a potential vulnerability specific to this dispute.
- US International Trade Commission figures for the first half of 2026 put Canada among the largest US partners for polymers of ethylene and propylene, a major supplier on one side of that trade and a major customer on the other.

### → Two Tariff Schedules, and No USMCA Exception

- The US measure covered C\$27.6 billion of Canadian goods at 50% from 22 August 2026, and Canada's official list answers dollar for dollar, with counter-tariffs of 15, 25 and 50% on C\$27.6 billion of US imports, effective 8 September 2026.

- Rates follow the US rate on the same goods, item by item; the list draws on products targeted by both Section 338 and Section 232 tariffs, and its focus is electronics, pulp and paper, steel, dairy, appliances and agricultural equipment.
- No primary-form polymer or industrial chemical heading appears on it. Six finished plastic articles do, all at 50%, among them polyethylene sacks and bags, narrow self-adhesive film, foil and tape rolls up to 20 cm, floor and wall coverings, and tableware and kitchenware.
- Only US-origin goods are caught, and shipments already moving toward Canada on the effective date are exempt.
- Earlier US tariff regimes carved out room for exceptions, IEEPA's reciprocal tariffs, the Section 122 duties that have since lapsed, and the Section 301 tariffs currently in force, but Section 338 breaks from that pattern and grants none.
- 60 trading partners already face the US's latest Section 301 tariffs, and plastics and chemicals imports fall under them too, pharmaceutical uses aside, a sign the US appears more reluctant generally to grant relief in this category.
- An earlier list Canada weighed in 2025, when tensions first flared, named commodity plastics such as polyethylene, polypropylene and polyvinyl chloride, and the official schedule published for 8 September does not name those primary polymers.

#### → Where the Trade Exposure Concentrates

- For several commodity-plastic families, first-half-2026 US International Trade Commission figures rank Canada among the largest US partners on both sides of that trade, as a supplier and as a customer.
- Ethylene and propylene polymers carry the heaviest exposure of the nine, with Canada among the largest US partners on both the buying and the selling side.
- Trade running in both directions cuts the other way too. US buyers of Canadian material could face higher costs, and Canadian demand for US-made plastics could soften, beyond the narrower story of US producers facing Canadian competition.

| Plastic Polymer Category (HTS Code)                            | Rank as US Export Destination | Rank as US Import Source |
|----------------------------------------------------------------|-------------------------------|--------------------------|
| Polymers of ethylene (3901)                                    | #4                            | #1                       |
| Polymers of propylene or other olefins (3902)                  | #2                            | #1                       |
| Polymers of styrene (3903)                                     | #2                            | #3                       |
| Polymers of vinyl chloride or other halogenated olefins (3904) | #1                            | #1                       |
| Polymers of vinyl acetate or other vinyl esters (3905)         | #2                            | #1                       |
| Acrylic polymers (3906)                                        | #1                            | #2                       |

| Plastic Polymer Category (HTS Code)                                                                                    | Rank as US Export Destination | Rank as US Import Source |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------|
| Polyacetals, other polyethers and epoxide resins; polycarbonates, alkyds, polyallyl esters and other polyesters (3907) | #2                            | #5                       |
| Polyamides (3908)                                                                                                      | #2                            | #1                       |
| Amino-resins, phenolic resins and polyurethanes (3909)                                                                 | #1                            | #1                       |

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*Canada is also the #1 US export destination in three of the nine categories, so this exposure runs in both directions, not on the import side alone.*

### → Room to Negotiate, and a Legal Question Mark Over Section 338

- The stated aim behind Section 338 is countering discriminatory trade practices, with Canada accused over its treatment of US dairy, alcohol and auto exports; trade analysts read the real motive as USMCA negotiating leverage instead.
- Before the 8 September effective date, a negotiating window still existed for both governments ahead of any spread to further products.
- Trade analysts and lawyers flag a longer-term legal weakness in Section 338 itself; one argument holds that Section 301 of the 1974 Trade Act already supersedes it, and a separate open question is whether an ITC investigation must precede any tariffs it authorizes.
- That legal fight matters beyond this one dispute. It stems from companies suing the government over Section 338, and if courts decide an ITC investigation was required first, existing tariffs under it could be found to fall short of the law's own requirements; a win for the administration instead could free future tariffs from needing investigations or Congressional approval, inviting broader use beyond Canada.

### LESSONS & ACTIONABLES

Companies with cross-border US-Canada plastics exposure, polymers of ethylene and propylene especially, may want to check their own products against the ITC's polymer categories and Canada's counter-tariff list, which includes polyethylene sacks and bags, and to watch any Section 338 litigation from here.



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