

Report Portugal

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1. Description of status quo

In Portugal, reuse primary packaging systems have been detected for the following goods:

Beverages:

- Beer
- Mineral Water
- Wine
- Soft drinks
- Milk

Reuse primary packaging for food and non food have not been detected.

1.1 Description of reuse systems for beer

Beer consumption per capita doubled in the decade from 1980 to 1990, reaching up to 70 litres. Since that time it has gone down slightly to a current stable quantity of around 62 litres per capita. About 40-50% of the beer is consumed in HoReCa, while 30% of the total beer is draught beer. 56% of total beer consumption is bottled in reuse glass bottles (see Table P-1 i.A.).

Beer packaging which was nearly 100% reuse until the middle of the 80's, declined to a rate of around 80% in the early 90's where it has actually stabilised (see table 3 and 4 in Annex II). As there are only two brewing companies in Portugal and very little imports they have managed to keep their reuse oriented policy even when up against the interests of the big retailer organisations.

For home consumption, one type of a brown glass 1-litre bottle with MCA finish is used by both breweries. Two types of 0,33 litre and one 0,2 litre brown galls bottles with CC finish are used for sale in HoReCa as well as in the retail channel. These bottles are also part of the common brewery's pool.

Beside these typical beer bottles, each brewery runs a small range of individual reuse bottles for special brands, such as foreign brands which are brewed by license in Portugal.

As a reaction to the packaging law which forces retailers to offer beverages in reuse packaging, LIDL imports German beer in German standard reuse bottles (in individual reuse crates) then which are driven back to Germany. This behaviour misuses the idea of environmental protection by causing reuse packaging to have an adverse effect. Transporting beer in reuse glass bottles over a distance of more than 3.000 km and then carting the empty bottles back from Portugal to Dortmund is a case of environmental destruction at it's best.

1.2 Description of reuse systems for wine

Just behind milk and beer, wine is still the third in regard to consumption of bottled beverages in Portugal. With 58 litres of wine per capita, Portugal takes the spot in the EU top three with Italy and France.

Most of the wine consumed in Portugal is table wine. there isn't much quality wine (AOC) consumed. With a production quantity of 952 Mio litres, about 39% of the production is exported.

For domestic consumption of table wine, the actual quota of reuse bottles is somewhere around 70%. Realistic data has not been available because data support and evaluation at the Ministry for Environment were not finalised as of December 1998.

The typical reuse packaging for wine is 2 and 5 litre glass bottles, (in plastic baskets) as well as 1 litre clear glass bottles wearing the five stars symbol. In some areas, too, the distribution to bars and restaurants is done in 30 litre wooden barrels.

The 2 and 5 litre glass bottles are unique and are based on glass producers private standards. Because they are filled by hand, small differences in measures occur, but they are not so important.

The distribution to HoReCa is done by means of a continuous relationship between the producers/wholesalers and HoReCa. Consequently, a weekly exchange of packaging is not a problem.

They also deliver to the small retailer shops (corner shops) where the five litre bottles are sold to private customers.

The 1 litre glass bottle is based on the Spanish Standard UNE 126206. It is the only reuse wine packaging which is offered through the big retailer chains. A standardised plastic crate, which is individualised by colours and print, is used for transporting the bottles.

Reuse systems for "quality wine" bottles do not exist. As in most countries of the EU the glass producers started to build up bottle banks in Portugal in 1983 and reached coverage in 1989. It could not be determined whether or not a retake system of these types of bottles via retailers ever existed before that time.

The variations in the wine bottles on the shelves of Portuguese retailer shops is not very high even with a large number of domestic quality wines (imports are very little). A non representative check showed that division of wine bottle shapes approximately as follows:

- 30% Bordeaux Allegé and Tradition
- 30% Bourgogne
- 20% Flute
- 20% Rhine wine bottles

The share of individual bottle shapes is extremely small. The grade of standardisation (same types within one of the above called groups) is very high. This range of bottles is ideal for reuse.

1.3 Description of reuse systems for mineral water

The average consumption of bottled waters in 1997 was 41,9 litres per capita. 9,1 litres of those were carbonised natural mineral water.

The reuse quotas for mineral water and soft drinks reached 10,5%, and 20,3%, respectively, in 1997 (see Table P-2 i.A.). This is a typical quota for countries where reuse packaging has successfully been banned by retailer organisations.

Mainly mineral water with Co₂ is offered in reuse bottles. Ten of 26 registered water bottlers use reuse bottles for distribution.

Therefore, two domestic systems are offered. One is the old fashioned 1-litre clear glass bottle with CC finish from the source Aqua de Luso, which is owned by one of the brewers companies. The other reuse systems consist of one 0,25 litre green glass bottle with CC finish and one 1 litre green glass bottle with MCA finish. Both bottles are used by a group of mineral water sources as a common standard. The small bottle is distributed preferably to HoReCa while the big bottle is offered mostly in retailer chains.

As the pressure of the big retailers is very great, some mineral water fillers opt to sell the 1 liter reuse bottles, marked as one-way (green dot), without a deposit.

The same situation is true of the discounters (LIDL) where Spanish reuse bottles (in reuse crates) are sold as one-way bottles without a deposit and even though there is no chance that the empties will be brought back.

In some areas, flat water is sold in 5 litre wine bottles in baskets for HoReCa (Empresa das Aguas do Vimeiro Lda.). This is useful when mineral water sources deliver their product directly to HoReCa.

1.4 Description of reuse systems for soft drinks

Soft drinks (including carbonised and non carbonised) consumption in Portugal is the smallest in EU with an average per capita consumption of 52,3 litres in 1997. The quantity has been increasing by 14% annually during the last two years. For carbonised soft drinks sales, statistics published by ANIRSF show a split of 72% in the retailer channel and 28% in HoReCa (5). Absolute sales in HoReCa have been stable (around 110 Mio litres), while home consumption sales by the retailers have jumped from 257 litres in 1992 to 394 Mio litres in 1997. This market growth took place only in the retailer shops.

The actual reuse quota for all soft drinks (carbonised and non carbonised) was 20,3 % in 1997. 10 years ago the quota was around 88%, but it has been declining very fast since 1991 (see Table P.3 i.A.).

Most soft drinks in reuse packaging are sold in small 0,2 to 0,33 litre bottles with a lot of individual shapes.

The reuse 0,25 litre bottle from the mineral water branch (see above) is also used for soft drinks, but only those delivered to HoReCa.

1.5 Description of reuse systems for milk

Reuse bottles for milk disappeared from the market in the late 80's. A 0,25 litre clear glass bottle of a very old-fashioned technical style is still available on the market, but it is only sold to cafés. The bottle is filled by Lacticinos VIGOR LDA. Odrinhas/Sintsa.

2. How reuse developed

In all branches except the beer market, reuse systems have been reduced to a minimum level of 10 to 20 %; the market share of HoReCa. Still even, there one-way packaging is on the rise.

Ten years ago, more or less all beverages were sold in reuse bottles. Two reasons for this were:

1. The cheaper prices for reuse packaging; as Portugal is one of the poorer countries in the EU, most people did not have money to spend on bottled beverages.
2. The very conservative retail system which had with a very high work force demand.

Big hypermarkets and discount stores are very new in Portugal and were the most important push for one-way packaging.

The immense growth figures for soft drinks bottled water and beer, reflect the growing average income.

Similar to other EU-member states, the change in the consumption pattern lead to a change from fresh milk to UHT milk, which is packed in one-way beverage cartons.

3. Distribution / redistribution of reuse packaging

The Portuguese market for beverages has characteristic aspects which distinguish it from those in central European markets:

1. There are still many small retailer shops (neighbourhood stores). Discounters came onto the Portuguese market very late, as late as within the last five years in the form of foreign companies such as DIA (Spain) and LIDL (Germany).
2. There are a very large number of cafés and small restaurants which sell about 28% of beverages. This rate is declining, while the total consumption of mineral water and soft drink is growing rapidly. In real figures, the quantity which was drunk in HoReCa has remained stable.

HoReCa is still a domain of reuse packaging even if it's share of reuse packaging for soft drinks declined from 85% in 1991 to only 58% in 1997.

During the same period, the reuse quota for soft drinks in retailer shops or hypermarkets came down from 42% in 1992 to 6% in 1997 (5).

One very destructive influence was the appearance and rise of discounter shops and „modern“ hypermarkets which were not known in Portugal just 10 years ago. The radical push to one-way packaging and stark price competition has had its effect.

The prices for 0,33 litre soft drink cans of 45 ESC (0,23 ECU) is one of these outcomes. This is a price which is just above the producing costs at the bottling line. If it is taken into consideration that this can may have been filled for LIDL in Germany, there is really no way to earn money on these prices. Pressure on the domestic markets is, therefore, very high. Reuse is not supported by these retail systems (see chapter 5.1 of main report).

Distribution and redistribution of reuse packaging is not a problem of the wholesale business in Portugal. Many fillers run their own redistribution systems (own logistics) so as a result, there is very little demand for sorting of the packaging streams.

Retake in the different shops is done without machines. On the one hand, there are a large number of small shops where retake machines are not profitable, whereas and on the other hand, most of the big hypermarkets and discounters do not support reuse so they ban the retake of the empties to the back of the store which the customer might consider to be a rather tedious and boring adventure indeed.

4. Legal basis concerning reuse packaging

Legal laws concerning packaging and packaging waste were started in Portugal in the year 1992. The 1985 EU-Directive on reuse packaging never led to a national law in Portugal. In 1992 a national program for waste which included packaging waste was started.

After the 1995 elections the new socialist government enacted the first national waste program which should lead to a complete close down of all uncontrolled „wild“ dump sites by 2000. Following the outline of that plan, the government set into force the first law dealing with waste (1) which was very quickly followed by a specific packaging law (2).

The main goal of this law, which is more or less a one to one transition of the EU-Directive 62/94 EC, is to increase the recycling and recovery of packaging waste.

In January 1998, a state ordinance focusing on reuse beverage packaging was to follow (3). Its intention is to support reuse packaging on the market in two ways:

1. A ban on one-way packaging for soft drinks, beer, table wine and mineral water when used in HoReCa
2. Targets for reuse quotas for soft drinks, beer, table wine and mineral water for the years 1997 to 1999.

	Targets for reuse quotas in %		
	1997	1998	1999
Soft drinks	15	20	30
Beer	70	75	80
Bottled wine	5	8	10
Table wine	55	60	65

3. Listing beverages in reuse packaging in retailer shops is made compulsory for those beverages which are sold in one-way packaging.

Producers have to deliver data showing the fulfilment of these targets. Their own statistical data collected by the state or collected from independent third parties is not available.

This very ambitious set of political instruments led to much indignation. The reactions of the beverage fillers and packaging producers has been tremendous and has led to a very tough lobby campaign against the ministry of environment.

The immediate reaction was for the ban on one-way packaging in HoReCa to be lifted. Eventually, it was substituted by a clause calling for the branches to participate in dual systems which have been built up formally in Portugal in 1996.

The interpretation of the reuse targets has been undermined/perverted in their fundamental settings:

- The basis for calculation of reuse quota was restricted to only those companies which fill reuse packaging. Other companies who only fill one-way packaging (most of the mineral water and soft drink fillers) are no longer obligated to fill reuse packaging.
- The reuse quotas are only calculated for beverages sold via retailers and home services. HoReCa, the most important market for beer and soft drinks in Portugal is, therefore, taken out of the quota as well.

The reuse quota basis is now about 10-20% of the market for the beverages mentioned above. Targets for milk and quality wine have not been set. It was stated that there aren't any reuse systems for milk (which is wrong). Likewise in the case of quality wines, it had been said that reuse bottles are technically suitable for reuse, which in fact is absolute nonsense.

Because of a lack of aggregated data, as well as missing data by some industries, it can not be determined if the targets have been fulfilled by industry and trade.

The compulsory listing/offer of beverages packed in reuse packaging in retailer shops is misrepresented too:

- most of the shops offer only one type and volume of a group of beverages (i.e. mineral water)
- prices for beverages in reuse packaging (i.e. mineral water, soft drinks) is up to four times higher than the competitive product in one-way packaging of the same filling volume.
- reuse packaging is placed somewhere on the back shelves collecting dust and dirt.

A shop check by the „Inspeccao General do Ambiente“, the public prosecutor for environment in Portugal, in the most important retail chains came to the conclusion, that many retailers do not fulfil that law or may even be trying to undermine the idea of the legal instructions to offer beverages in reuse packaging. The results of that study had not been published as of the beginning of December 1998.

A working group of CAGER, the monitoring group to the packaging was given the job of monitoring and discussing the outcomes of the law. Two years later, in November 1998, CAGER then started to discuss the recycling issues and the interpretation of the law.

5. Marking systems for reuse

There are no labels or markings related to the reuse of primary packaging on the Portuguese market. Only very few reuse bottles are inscribed with the word „reutilizáveis“.

There has been no action on the part of the government to establish a common reuse marking. „Portugal waits for the EU-directive on marking“ (Mr. Prof. Lobado de Faria, INR).

6. Standards on reuse packaging

The only public Portuguese PN-standards which are upheld by IPQ Instituto Portuguesepor Qualidade for reuse primary packaging are some basic quality related standards and a list of standards for bottle finishes.

For the production of wine glass bottles, only foreign standards such as the Spanish AENOR and French AFNOR standards are used. To protect the market from imports, wine bottles in Portugal are produced with finishes different from those in other EU-countries (see specific discussion in chapter 5.2).

The standardisation of glass bottles for beer and carbonised soft drinks and mineral water is very high too. As there are only two big brewery groups on the market, standardisation is easy. Basically, all beer is in reuse bottles; three different 0,22 l brown glass bottles and one 1-l glass bottle.

List of contacts

AICP Portuguese Brewers Ass.,

ANIRSF, Mr. Furtardo Mendonca

APDCOB, Associação Portuguesa dos Distribuidores de Cervejas e outras Bebidas, Mr. Dr. Alfonso de Barros-Queiroz

CNE Centro Nacional de Embalagem, Ms. Paula Lopes

DGA Direccao General Ambiente, S.E. Ambiente / Recursos Naturales Ms. Paula Gama

Instituto dos Residuos (INR), Ms. Isabell Andrata, Mr. Prof. Lobado de Faria Presidente

IPQ, Instituto Portugues da Qualidade (IPQ), Mr Waldemar Lopes, 1199 Lisboa

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Quercus, Mr. Rui Berkemeier

Sources

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