Deposit-return system - two approvals of the President of UOKiK for concentrations

* **The President of UOKiK has given two approvals for the establishment of a deposit-return system operators which will take effect in 2025.**
* **The decisions will affect soft drink and beer producers.**
* **The investigations carried out have shown that the concentrations will not restrict competition.**

**[Warsaw, 21 June 2024]** The decisions issued relate to the formation of joint ventures by beverage producers. These will be the so-called representative entities indicated in the Waste Management Act governing the deposit-return system which will take effect on 1 January 2025. It is a mechanism to reduce the amount of waste and encourage consumers to recycle. From the point of view of store customers, it means paying a refundable deposit when buying beverages in plastic, glass bottles and cans.

Most countries have a single operator of the deposit-return system, formed by beverage producers, in some cases also with the state participation. Poland has adopted a different model in which different operators will operate. Operators are to be formed by beverage producers or importers, among others, as so-called representative entities. Their job is to, among other things, selectively collect packaging and waste, pick it up and transport it from stores. Noteworthy, beverage producers and importers must achieve an adequate level of separate collection of packaging and packaging waste. Failure to meet certain indicators will result in them having to pay an additional fee (product fee).

The first decision concerns transactions involving soft drink producers: Coca-Cola HBC, Colian, Żywiec-Zdrój, Maspex Group, Nestle Poland, Pepsi-Cola General Bottlers Poland, Red Bull, Oshee Poland, Zbyszko Company, Orangina Schweppes Polska, Nałęczów Zdrój and Van Pur. The second decision is the approval of the formation of a joint venture by beer producers: Carlsberg Poland, Kompania Piwowarska and the Żywiec Group.

- The establishment of a separate waste collection system operator is very important for beverage manufacturers due to the need to meet recovery rates. At the same time, our task was to check whether the creation of so-called representative entities could be disadvantageous to other market participants. Our thorough analysis has shown that the transactions will not lead to a restriction of competition - says Tomasz Chróstny, the President of UOKiK.

In issuing approvals for transactions, the President of UOKiK took into account, among other things, the fact that other deposit-return system operators will also operate in the market. The concentration will also not restrict market access for other beverage producers and importers, who, according to the Act, will be able to join deposit-return schemes on an equal terms. No risk of restricting competition is also due to the peculiarities of the deposit-return systems operations. They are non-profit, not-for-profit entities. This means, among other things, that they will not be able to obtain benefits from the deposit they collect, nor will they be able to influence the amount of the deposit which will be determined by relevant laws.

In addition to the approval of the President of UOKiK, a license to operate the deposit-return system which is issued by the Minister of Climate Affairs will also be required for new entities to begin operations.

According to the laws, a transaction is subject to notification to the antitrust authority if it involves undertakings whose aggregate turnover generated in the preceding year has exceeded EUR 1 billion worldwide or EUR 50 million in Poland.

Please be informed that information on all concentration-related antitrust proceedings conducted by UOKiK is posted on the [UOKiK website](https://uokik.gov.pl/en/concentration-control).