Monday 16 November 2026

Rt. Hon James Murray MP, Financial Secretary to the Treasury
Rt. Hon Emma Hardy MP, Minister of State, Defra
Rt. Hon Jonathan Reynolds MP, Secretary of State for Business, Innovation, Science and Trade
Rt. Hon. Lord Sarwar, the Minister of State for Trade in the Department for Business, Innovation, Science and Trade

Via email:

Dear Mr Murray, Ms Hardy, Mr Reynolds and Lord Sarwar

RE: Increasing costs of compliant packaging and recent actions by the Trade Remedies Authority

I recently wrote to some of you in my capacity as the Chief Executive of the British Brands Group (BBG) and on behalf of 18 UK trade associations, to share broad industry concerns about the spiralling costs associated with packaging within the UK.

Since I wrote to you on 15 October 2026, the regulatory environment has become even more complex and challenging for UK manufacturers. Further potential costs threaten the packaged goods supply chain. Namely, the proposed introduction of a quota and a tariff of 65% for Polyethylene Terephthalate (PET) plastic resin (Investigation No. SG0094). PET is widely used for packaging, especially for food and beverages. It is also employed for packaging by many other sectors such as cleaning products, cosmetics and pharmaceuticals.

The proposed measures have been initiated by the Trade Remedies Authority (TRA) with minimal engagement from packaging manufacturers or the supply chain. There are several points that need to be highlighted in respect of the proposed measures:

Crucial Differences between virgin PET (vPET) and recycled PET (rPET)
We believe that the Trade Remedies Authority (TRA) has erred in initiating an investigation targeting both vPET and rPET. Whilst the TRA correctly identifies similarity in the underlying chemistry, the two materials differ fundamentally in feedstocks (crude oil versus recovered plastic waste), pricing dynamics and the policy/regulatory landscape in the UK. The Plastic Packaging Tax (PPT) exclusively recognises the use of recycled materials to secure exemptions. vPET is unable to satisfy this condition. As such HMRC, makes a clear (and financially significant) distinction between the two materials on the basis of sustainability imperatives. A distinction that the TRA has failed to incorporate into its proposals.

Cumulative Impacts on Downsteam Businesses
The TRA itself acknowledges the potential for higher costs and supply constraints that will arise from the introduction of a quota and tariff. At the same time, it also recognises that

the demand for PET is essentially inelastic (p.40, paragraph 237). However the TRA has reviewed its proposed added costs in isolation. For actors purchasing PET on the out-of-quota tariff, the added cost would be £760 per tonne (European PET spot price £1,170 per tonne at 65% ad valorem tariff). This increased cost needs to be considered in addition to costs from Extended Producer Responsibility (EPR) of £423 per tonne, Packaging Recovery Notes (PRN) of upwards of £725 per tonne and Plastic Packaging Tax (PPT) of £228 per tonne.

Procedural Considerations

The original applicant is the sole UK producer of vPET, which cannot produce rPET. We also question whether the TRA has properly respected WTO rules in respect of the definition of the scope of the domestic industry and the choice to also include rPET in scope of the proposed measures.

We are concerned that a new policy could be implemented despite an absence of information from UK rPET producers and businesses across the supply chain. Key associations that represent the food and drink sectors, the retailer sector and the packaging value chain were all ignorant of the proposed measures until recent days. This ineffective engagement is concerning and suggests the consultation has not followed the correct consultative mechanism.

The key message of my previous letter was the importance of considering the wider strategy for the introduction of plastic and recycling taxes, to ensure it is implemented effectively and to meet government's ultimate objectives. This is however an example of how the economic consequences, including its effects on domestic manufacturing, investment, supply-chain resilience, business competitiveness and ultimately consumer prices, has not been considered against that backdrop. As has already been seen with the other three taxes, and as referred to in my previous letter, we know that much of the added costs from the tariffs will be passed on through the supply chain leading to inflationary effects and ultimately an impact on consumers.

My previous letter made clear that the Government needs to take a more holistic view of the packaging policy landscape. The proposed tariffs for PET now need to be included in these considerations.

Once again, I extend an offer for further discussions, to explore how Government and industry can better work together to deliver environmental improvements while maintaining a competitive business environment and protecting consumer choice and affordability.

I look forward to hearing from you.

Yours sincerely,



Sarah Garry
Chief Executive
British Brands Group

Cc. Chris Bloore MP for Redditch. Member of the Business, Innovation, Science and Trade Committee

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