



Paperpak NEWSBRIEF **September 2010**

It is that time of year when many businesses are looking forward to a new year and assembling all the information they need in order to prepare a Budget. Some things are already well known – VAT will climb from 17.5% to 20% (a 14.3% hike!) with effect from 1st January 2011 – and could create very real cash-flow challenges. Other cost items, such as those that are driven by market conditions, are less easily judged. The cost of compliance with the Packaging Regulations probably falls into that category.

The aftermath of the dramatic events late in 2008 affected different companies in many different ways but most will be seeing an improved situation now and may feel that the next 12 months will be better rather than worse. Packaging usage always tends to mirror the general business climate so we might expect to see tonnage obligations for 2011 (based on the current year's activity) modestly higher. The reprocessing of post-consumer packaging continues apace and the appetite for such waste is undimmed in the Far East.

In September 2010, paper, wood, plastic, steel and EfW PRNs have all been readily available at prices well below £5 /t. Glass is now at or about £12 /t and Aluminium at or about £35/ t. For a scheme that buys its PRNs throughout the year and not just at the time when the prices are most attractive (if only!) the average prices for 2010 will turn out to be better than we predicted and certainly, in almost all cases, at levels barely a third of what they were 12 months ago. Paperpak members who were with us last year will also shortly benefit from the rebate of surplus revenue made at the very end of 2009.

It is with little risk that we can forecast PRN prices in 2011 at the same low levels that we have seen recently. However, an announcement regarding recycling targets is imminent and any intention to keep targets unchanged could result in even lower prices. Our basic fees remain unchanged for another year and these remain all-inclusive with no hidden extras.

So remember that with Paperpak there are:

- [Highly competitive PRN prices with no added admin charges](#)
- [No charges for company visits or time spent on data](#)
- [No admin charges for late registrations, re-submissions or subsidiary registrations](#)
- [Free email and telephone support](#)
- [Free attendance at Agency audits \(if requested\)](#)