

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: JJ/PO/343/2023

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

16 October 2023

Dear Paul,

Thank you for your letter of 4 September regarding the Deposit Return Scheme.

As set out within our circular economy strategy, Beyond Recycling, our aim is to become a zero waste and net zero carbon nation. The Deposit Return Scheme, as part of the wider Extended Producer Responsibility reforms, is an important action in response to the climate and nature emergency which will support the sector to move to more sustainable business practices.

An economic impact assessment was published alongside our joint consultation on the proposed Deposit Return Scheme. The assessment not only demonstrated a net positive impact for the scheme, but also a higher Net Present Value and Benefit Cost Ratio of an 'all-in' scheme including glass compared to not including glass. This analysis highlights that removing glass from the scheme has an economic impact – reducing economic benefits from material revenue, increased recycling and reduced litter – whilst significantly reducing the environmental outcomes.

My officials are meeting regularly with Welsh producers and trade representatives to discuss the development of the scheme as part of the transition to a more circular economy. We recognise smaller producers in Wales may face specific challenges in adapting to the obligations of a DRS and are looking at a range of interventions to support. These include exclusions for producers of low volume or limited item product lines, reduced fees for smaller businesses and importantly an exclusion for drinks producers who use reuse and refill to incentivise its adoption.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I would be happy to keep the committee updated with the implementation of the Deposit Return Scheme, including the impact assessment which will be updated and published alongside the regulations when they are introduced to the Senedd.

I am copying this to Llŷr Gruffydd MS, Chair, Climate Change, Environment and Infrastructure Committee

Yours sincerely,

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change