Lithuania’s Deposit System

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Deposit system management

A public institution *Užstato Sistemos Administratorius (USAD)* is a non-profit organization that has an underlying objective of managing the deposit system as indicated in Law on Packaging and Packaging Waste.

- Founded and managed by directly involved industries
  - Lithuanian Brewers Association
  - Association of Lithuanian Trade Enterprises
  - Lithuanian Natural Mineral Water Manufacturers’ Association
Deposit system scope

01/02/2016
Mandatory deposit system for beverage packages launched in Lithuania

Beverage packages types in the mandatory deposit system (capacity from 0.10 to 3.0 litre):

- PET
- Metal (Al and Fe cans)
- Glass
Deposit system scope

Beverage categories in the mandatory deposit system:

- Beer, Beer mixes
- Cider, Pear cider
- Other fermented alcohol drinks and mixes
- Non-alcoholic drinks
- Water
- Juices and nectars

Annual volumes ~660 mln beverage containers
How does everything work?

Packaging companies

The packaging company sells the packaging to the retailer who pays the price of the product and the deposit.

The retailer returns reusable packaging to the packaging company.

The packaging company reimburses the deposit to the retailer.

Consumer

The consumer returns the packaging to the retailer.

The retailer reimburses the deposit to the consumer.

The consumer pays the retailer the price of the products plus the deposit for the packaging.

USAD counts one way packaging and returns deposit to the retailer on the basis of the counted packaging.
Deposit system infrastructure

Amount of collection points and their types:

- Reverse vending machine (RVM) points – close to 1,000
- Manual collection points – over 1,700

Total: 2,700

In total over 1,100 RVMs installed

89% of packages are collected in RVM points
Producers obligations

- Marking deposit packages with **deposit logo**
- Choosing type of **barcode**: universal or unique
- **Charging deposit** for each sold deposit package
- **Participating in deposit system and financing it**
Retailers obligations

- Taking deposit from consumers
  - 0.10 €

- Taking back deposit packages from consumers and returning deposit
  - 0.10 €
Producers and importers are the main sponsors of the deposit system.

- **30%** raw materials sale
- **53%** producer subsidy
- **17%** unredeemed deposit

System revenues
Collection & recycling results

Targets for **2029** are already **achieved and exceeded**

Deposit system allows higher recycling targets vs. container system

**Before deposit system introduction PET bottles recycling was below 33%**
Collection & recycling results

In the first 4 years we collected:

2,100,000,000 beverage containers → 80,000 tones → 8 Eiffel towers

Recycling volumes:
2016 – 16,000 tones  2017 – 20,000 tones  2018 – 21,000 tones
2019 – 23,000 tones
Collection & recycling quality

- 100% collected materials are recycled
- A very high quality of collected materials – clean and well sorted
- Easy to recycle back to the bottles and cans
In 2004 the obligatory deposit system for RGB was introduced by law.

Only by end of 2006 deposit system became operational because of long negotiations with retailers on handling fee (RHF).

System is administrated by Non Profit Company DESA (Deposit System Administrator).

DESA founded in 2005 by RGB owners – five breweries.

Were 7 breweries participating in the System.

In 2016 Coca-Cola joined the system with their RGB.
RGB Deposit Development

- In 2007 were already 6 types of RGB with annual turnover of 240 million bottles
- In 2019 we had 32 types of RGB with annual turnover of 62 million bottles
- Until 2016 collection was 100% manual

Čia priimami užstatiniai (depozitiniai) buteliai po 0,10 Eur

Sales of products in RGB (in millions)
Cooperation Of Two DRS
No Cross Subsidies !!!

- From day one (01 Feb. 2016) collection of RGB was merged with OW packaging – in manual as well as in RVM automated collection points
- Deposit value (10 euro cents) is the same
- OW packages from shops (compacted & not compacted) go to USAD’s Counting & Preparation for Recycling Centre
- RGB from shops go back to Producers
- For collection of RGB Producers pay to Retailers Retail handling Fee (RHF) + Deposit
- Producers also pay to USAD for RGB collected via RVM for usage of RVM
- Some RGB users (e.g. Coke) are not taking their empties back from Retailers, but outsource this service from USAD
Benefits From Cooperation Of Two DRS

• Much more convenient for **CONSUMERS** – same collection points the same price
• Consumers even don’t know that there are two DRS – they are facing just one
• No more discrimination of RGB on convenience – all beer packaging is with deposit
• RGB sales shrinking trend has flattened – shrinking less than sales of beer
What do consumers think?

Consumer survey conducted in 2020* resulted:

*4 years after launching the deposit system

95% of consumers answered that they are satisfied in general with functioning of the deposit system for single-use packaging.

92% of consumers indicated that the amount of garbage in parks, at lakes and other natural places, visited by people, decreased after introduction of the packaging deposit system.
What do consumers think?

Consumer survey conducted in 2020* resulted:

*4 years after launching the deposit system

97% of consumers claimed that the deposit system is necessary

Even more importantly:

85% of consumers admitted that introduction of the packaging deposit system encouraged them to regard sorting out of all-type waste with more responsibility

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Thank You!

Viešoji įstaiga Užstato sistemų administratorius

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