

New EU Packaging Rules Exclude Small Businesses from the Single Market

The Malta Chamber of SMEs is raising serious concerns over the impact of the new EU Packaging and Packaging Waste Regulation specifically on the provisions which became applicable on 12 August 2026.

The new EU packaging rules require businesses placing packaged products on another Member State's market to comply with that country's Extended Producer Responsibility requirements, which can include registration, reporting, payment of EPR fees and, in certain cases, appointing an authorised representative.

Particularly for Maltese micro and small businesses trading across the European Single Market, this regulation is disproportionate; going directing against the European Union's think small first principle adopted under the Small Business Act for Europe in 2008.

The SME Chamber fully supports the environmental objectives behind the Regulation. However, the new cross-border Extended Producer Responsibility (EPR) obligations have created disproportionate administrative and financial burdens for small businesses, shipping to other EU countries in small numbers.

For Maltese businesses, this issue is particularly serious. Unlike businesses operating in much larger Member States, Maltese SMEs cannot rely on a large domestic market to grow. Access to the Single Market is therefore essential, not optional.

Requirements linked to registrations, reporting, producer responsibility schemes and, in certain cases appoint authorised representatives in different Member States, translates into significant fixed costs. For a large multinational these costs may be relatively minor. For a Maltese micro-business selling limited quantities across several EU countries, they will make cross-border trade commercially unviable and unsustainable.

ABOUT MALTA CHAMBER OF SMES

Malta Chamber of SMEs (Formerly known as GRTU) is the largest social partner in Malta representing over 7,000 SMEs from over 90 different sectors. The SME Chamber has been established for over 70 years and its aim is of safeguarding the interest of businesses at large.

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SME Chamber President Mr. Paul Abela stated that 'Environmental responsibility must not come at the cost of pushing Europe's smallest businesses out of the Single Market.'

The Single Market cannot become 27 separate compliance markets. The Malta Chamber of SMEs is also concerned about the competitive position of Maltese retailers. Local businesses already face higher logistics, transport and operational costs, due to our insularity, while increasingly competing with large international online platforms and non-EU sellers. Local low volume suppliers have already been constrained to suspend all online sales to EU countries due to this legislation, putting at risk their business and livelihood.

The Malta Chamber of SMEs is therefore calling for greater proportionality, including simplified EU-wide registration and reporting, meaningful thresholds for micro and low-volume businesses, and stronger enforcement on non-EU sellers and online platforms. The Malta Chamber of SMEs is concerned that requiring a very small business to establish different EPR compliance arrangements across several European countries could discourage that business from selling cross-border altogether.

In this regard, the SME Chamber is calling the European Commission and the European parliament to;

- Stop all specific EPR fines and cross-border registration requirements and mandatory third-party "Authorized Representatives" fees for micro-businesses effective immediately while legislation is being reformed;
- EU-wide de minimis threshold: Completely exempting small-volume sellers and micro-enterprises from cross-border packaging bureaucracy, which full destination country registration is not required;

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- Establish a single electronic declaration for remaining SMEs through the SMEs Member State of establishment identifying quantities exported to each member state;
- Mutual recognition /data exchange between National Registers, so that the destination Authority can verify the declaration without imposing a separate registration bureaucracy on the SME.

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