



Stronger Plastics-Reduction Policies: Mandatory Use of Recycled Materials and Enhanced Recycling Fees

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On December 17, 2025, the Ministry of Climate, Energy and Environment (“[MCEE](#)”) announced its key policy agenda for 2026. This marked the Ministry’s first annual policy briefing since its launch on October 1, 2025 and underscored its commitment to strengthening decarbonization policies across all sectors.

As part of this agenda, the MCEE presented a vision for a “plastic-free circular economy that does not rely on extraction or disposal” and unveiled the following major policy initiatives.

1. Mandatory Recycled-Materials Use Scheme for PET Bottles

- The mandatory recycled-materials use scheme requires PET bottle manufacturers (or ordering parties in OEM arrangements) to use recycled plastic materials at or above a prescribed minimum ratio. This scheme was introduced to promote the use of recycled plastic materials through amendments to the *Act on the Promotion of Saving and Recycling of Resources* (the “[Resources Recycling Act](#)”) promulgated on March 25, 2025 (Article 33-3), and became effective on September 26, 2025.
- Pursuant to amendments to the *Enforcement Decree of the Resources Recycling Act* in the second half of 2025, producers of bottled water and non-alcoholic beverages using at least 5,000 tons of PET bottles per year have been designated as obligated entities (Article 38 of the *Enforcement Decree*). The mandatory recycled-material usage ratio for 2026 has been set at 10% by ministerial notice, and the scheme will take effect on January 1, 2026.
- The MCEE has further announced that, following the commencement of full-scale implementation, it plans to gradually expand both the scope of obligated entities and the mandatory usage ratio, as follows:
 - Expansion of obligated entities:** Producers using $\geq 5,000$ tons of PET bottles annually (2026) → Producers using $\geq 1,000$ tons annually (2028)
 - Gradual increase in mandatory usage ratio:** 10% (2026) → 30% (2030)

2. Increased Recycling Fees for “Difficult to Recycle” Packaging Materials

- Under the Resources Recycling Act, manufacturers, importers, and sellers of certain products and packaging materials (collectively, “Producers with Recycling Obligations”) are required to collect and recycle a prescribed portion of waste generated from their products and packaging materials (Article 16).
- These obligations may be fulfilled indirectly by paying recycling fees to a recycling business mutual aid cooperative, which performs the recycling obligations on behalf of the Producers with Recycling Obligations. For packaging materials, recycling fees are currently differentiated based on recyclability ratings. Packaging materials classified as “difficult to recycle” are subject to a surcharge of up to 20%, while packaging materials rated as “highest recyclability” may benefit from a fee reduction of up to 50%.
- The MCEE has announced plans to further strengthen this system by **increasing the surcharge applicable to difficult-to-recycle packaging materials up to 30%**.

3. Other Key Measures: Paid Disposable Cups and Korean-Style Eco-Design

- **Paid Disposable Cups Scheme:** The MCEE plans to replace the current disposable-cup deposit scheme with a paid disposable cups scheme, under which the free provision of disposable cups will be prohibited and consumers will be required to purchase them. Retailers are expected to set disposable cup prices, subject to a minimum price floor reflecting production costs. Additional incentives to encourage the use of reusable cups are also under consideration.
- **Introduction of Korean-Style Eco-Design:** The Ministry has also announced plans to introduce a Korean-style eco-design framework, modeled after the EU’s eco-design regime, with the objective of minimizing environmental impacts throughout a product’s entire life cycle, beginning at the design stage.

4. Policy Outlook and Implications for Businesses

Even prior to his inauguration, President Lee Jaemyung identified the establishment of a circular-economy ecosystem as a core national policy priority, including the development of a plastics-free circular-economy roadmap and an increase in the mandatory recycled-material ratio for PET bottles to 30%. The MCEE’s recent policy briefing is widely understood to reflect this broader policy direction, and plastics-reduction and carbon-neutrality measures are expected to continue to expand and intensify.

Notably, regulatory developments are unlikely to remain limited to packaging materials. The scope of obligated entities, such as Producers with Recycling Obligations and businesses subject to packaging regulations, may be further expanded. Overseas trends, particularly in the EU, demonstrate a gradual extension of similar obligations beyond manufacturers, importers, and sellers to smaller distributors and e-commerce platforms, driven by increasingly borderless product distribution and the growth of cross-border e-commerce.

At the same time, the Korean government has indicated that regulatory tightening will be accompanied by enhanced incentive mechanisms for businesses that proactively align with policy objectives, including those achieving the highest recyclability ratings or adopting reusable packaging solutions. Companies that develop a clear understanding of the evolving regulatory framework and respond strategically may therefore be well positioned to capture additional financial and operational benefits. Close monitoring of future legislative and policy developments will be essential.

If you have any questions regarding the above or require assistance, please feel free to contact us. Shin & Kim LLC provides comprehensive advisory services on packaging regulations and recycling-obligation compliance across a wide range of consumer products, including alcoholic beverages, food and beverages, and apparel, and offers in-depth expertise on Korea's packaging and waste-management regulatory framework, including the *Act on Promotion of Transition to a Circular Economy and Society*, the *Resources Recycling Act*, and the *Wastes Control Act*.

[\[Korean version\]](#) 재생원료 사용의무제, 재활용분담금 강화 등 탈플라스틱 정책 본격 시행 예고

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