



Recycling businesses at the heart of the circular economy

Committed to resource the economy for future decades

Opening statement by Mr. Dominique MAGUIN, EuRIC President

Ladies and Gentlemen, thank you very much for being with us today at the first Annual Conference of the European Recycling Industries' Confederation (EuRIC).

It is a great pleasure to count in this audience so many key policy-makers from the European Institutions, esteemed colleagues from this great industry which is recycling and stakeholders all devoted to the same objective: make the circular economy happen!

The circular economy is in the DNA of the recycling industry. The daily business of a recycler is to turn waste into new raw materials and re-introduce them in "the loop of the economy". And it takes a lot of financial investments, forward looking thinking and dedication to collect, recycle and market quality recycled materials which can be used by the manufacturing industry to make new products.

What recyclers expect in concrete terms from the proposed package? Measures which can be translated into a **European industrial response**.

Why?

First, because the circular economy is a must. With a world middle class expected to reach nearly 5 billion by 2030 population, we will inevitably hit the physical boundaries of the planet with a business as usual linear economy.

Second, because recycling has many benefits:

- It brings across Europe **local, non-outsourcable jobs** created by companies, a number of which being **SMEs**;
- It produces **locally commodities which are traded globally**, hence the need to support an internal market for recycling and secure open markets beyond Europe;
- Urban mining does not suffer from any risk of **physical shortage** and for many streams the offer in Europe of recycled materials exceeds the demand;
- It brings huge benefits for the environment in terms of energy and emissions savings. Taking the example of recycled steel scrap alone, every ton of recycled steel scrap substitutes 1.5 tons of iron ore mined and further reduces the CO2-emissions by one ton.

But, if you allow me a digression, there is a **third, more urgent reason** explaining why the new circular economy package needs to deliver now: the current market situation. **Record low commodity prices** provide a living example of why practical measures supporting the shift towards a circular economy are needed now! At a time when the European Commission proposes to shift towards a circular economy, the recycling sector is paradoxically enduring a major crisis as current price levels render recycling of a number of streams uneconomical.



And this is a very difficult situation because recycling wastes is like the dynamic of fluids, once you have initiated the process, you cannot stop it like you stop a mine for a few weeks, when the demand is lower.

And when you stop recycling facilities, you do not only lose jobs and investments in industrial processes, you also break the trust society has put in policy-making. You cannot morally explain to a citizen in the street that we are very grateful for the efforts she or he put in daily separate collection when at the end of the pipe recyclables end up in landfills or incineration because it is cheaper to do so!

You might rightly say but what can Europe do? My answer is clear.

This new package, supported in many aspects, falls short of **binding pull mechanisms** to value the environmental benefits that recycling brings to the economy and society and reward public authorities and companies which make the choice to buy recycled materials, even if when it is more costly to do so.

Market incentives driving the shift towards a circular economy, are needed now, not tomorrow when a significant number of recyclers across Europe may have run out of business.

I am sure a number of stakeholders will use today's opportunity to bring their experience and come up with concrete solutions, having the potential to make genuine difference on the ground.

Ladies and Gentlemen, I would like to conclude by wishing you vivid and open debates and by warmly thanking – **Grupo Otua**, a Spanish leading recycling company, who sponsors this conference.