



European Recycling Industries'  
Confederation AISBL

## EuRIC places competitiveness of recycling markets at the heart of the circular economy

EuRIC successful Annual Conference 2017 gathered nearly 200 participants in Brussels, on 28 March 2017. Sponsored by **Veolia**, **Grupo Otua**, **Paprec Group**, **ANAMET Recycling**, **INRO Rohstoffhandel** and by the recycling Federations **APOGER**, **BDSV** and **FER**, the conference played host 'high-level' EU policymakers and influential recycling industry leaders who discussed the various aspects of competitive recycling markets in Europe. Recyclers called for streamlining administrative burdens which divert more and more resources away from their core business, namely turning waste into raw materials. This is instrumental for the circular economy to succeed.

### State of play – Revision of the circular economy package

**Kestutis Sadauskas**, Director of Circular Economy & Green Growth Directorate, DG Environment, European Commission set the scene by outlining the comprehensive vision of the circular economy package (CEP) which not only amends the waste legislation, but also comes with measures set by an Action Plan to close the loop of product lifecycles. **Andreas JARON** from the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety updated the audience about the latest key developments in the Council on the revision of the waste legislation.

### Levelling the playing field with public waste operators

**Michael Schuy**, President of EuRIC and entrepreneur active in scrap metal recycling for more than 35 years, opened the meeting by stressing that *“unhampered competition is the key enabler for thousands of companies throughout Europe to provide an unmatched infrastructure network of recycling facilities equipped to turn all types of waste into new raw materials. Competition distortions from publicly-owned waste management entities place a number of recycling businesses at risk.”*

**Johan Adamsson**, Project co-ordinator of the [Report](#) from the Nordic Competition Authorities on competition in the waste management sector, Swedish Competition Authority, presented *“Market solutions as the best way to ensure correct valuation and most efficient utilisation of society's resources”*, hence the need for competition in waste markets.

**Françoise Bonnet**, Secretary General of ACR+, presented the priorities of cities and regions in terms of sustainable resource management. She stressed the importance of the quantity criterion in the definition of municipal waste which would help local and regional authorities to better define the scope of their responsibility and should go hand in hand with a clear legal framework for commercial and industrial waste.

### Pulling the demand for secondary raw materials

**Mr. Gary Crawford**, Vice-President – International Affairs from Veolia, stressed the importance of *incentives to enhance recycling and the development of a market for secondary raw materials (SRM)* in connection to plastic recycling so as to *close the cost gap between virgin and recycled resins*. His plea for economic incentives was strongly echoed by **Graeme Carus**, Business Development Director of European Metal Recycling Limited (EMR) stressing that currently the lack of measures to pull the demand for recycled materials was the “missing link” of Europe’s circular economy package. If *“we are serious about sustainability then we need to find a way of prioritising the use of recycled materials ahead of primary; a way of allowing that recycled materials, which are produced under a heavy cost burden, competes fairly with the newly mined materials”* said Carus.

Last but not least, Crawford from Veolia emphasized the need for a harmonised calculation method to measure genuine recycling rates at European level and made the case for the output of sorting facilities, as the most suited point of measurement EU-wide.

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## Making legislation simpler and smarter

Recyclers unanimously called for a simpler legislation as a key element for the success of the circular economy. This plea naturally is multi-faceted.

It first starts with clearer legislation which is properly enforced in practice. For **Graeme Carus**, one of the main reasons of the uneven playing field that recyclers face today is caused by *“the lack of consistent and effective enforcement”* of the stringent regulatory regime within which recyclers operate. The need for clarifying waste status and simplifying administrative requirements was strongly advocated by **Michael Schuy**, EuRIC President. He deplored that *“processed metal scrap, which is superior in quality to iron ore, is still considered as a waste in most instances, unless when end of waste criteria are applied”*.

But the most acute issue was clearly linked to the lack of proper interface between EU waste and chemical legislation, which is among the obstacles to the circular economy identified by the study on regulatory barriers presented by **Margarida Gama** from Thinkstep. **Chris Slijkhuis** from Müller-Guttenbrunn Recycling made a strong plea for setting the right balance. *Recyclers save a great amount of CO2 emission, but still have to deal with a highly complex legislative framework which hinders the recycling of complex plastics*, he said. The tendency leading to require chemical analysis of all input materials is simply unworkable for any recycling facility which process thousands of intrinsically heterogeneous waste. *“This kind of analyses are not used for mined materials, so please do not apply them for urban mined materials”*, he argued by making the parallel with virgin resources.

Room for improvement also exists in the field of waste shipment procedures. **Peter Wessman**, Team leader – International co-ordination, Waste Management & Secondary Materials Unit, European Commission outlined the actions taken by the Commission to combat illegal waste shipments as well as to improve the functioning of waste markets. In particular, he announced the recent publication of the Commission’s [Roadmap](#) for the evaluation of the Waste Shipment Regulation. **Carl Hagberg**, Sustainability and Public Affairs Manager, Stena Metall, shed light on the risk-based approach needed when it comes to contamination in green listed waste. *“A mix of two green wastes should not always be ‘amber’”*, he stated as certainty is instrumental when it comes to waste shipment procedures.

## Recycling in a globalised economy – the example of metals

The importance of free and fair trade was also emphasized through the example of metals. **Cinzia Vezzosi**, President of EuRIC ferrous recycling Branch, stressed that, as statistics demonstrate, there is absolutely no risk of shortage of ferrous scrap in Europe and that exports play a key role for European metal recyclers. Hence, to be sustainable, the circular economy cannot stop at Europe’s borders. **Aleksandra Kozłowska** from DG Grow’s Unit ‘Resource efficiency and Raw Materials’, European Commission outlined the actions taken to protect EU’s steel industry from unfair trade practices. She also informed participants of measures taken by the European Commission on exports of secondary raw materials. **Markus HIEBEL** from the Fraunhofer UMSICHT, presented the multiple benefits of steel scrap use in steelmaking assessed in the study made for the BDSV on the [“Future of Steel Scrap”](#).

## Financing the circular economy

Funding the circular economy is naturally instrumental to enable the transition as markets alone are not sufficient. **Pavel Misiga**, Head of Unit “Eco-innovation”, DG Research and Innovation, European Commission outlined the plans to establish a Circular Economy Finance Support Platform bringing together investors and innovators. **Charles-Antoine Blanc**, Group Chief Financial Officer of PAPREC, emphasized the potential of green bonds. In March 2015, Paprec raised €480m Green Bond to finance its development within the recycling market. **Oliver Nugent**, Base Metals Business Development at the London Metal Exchange (LME) concluded the conference by introducing the possibility of hedging scrap sales thanks to the LME steel scrap contract.

The conference was closed by the moderator, **Florens Slob** by emphasizing the importance of pull measures to foster the demand for secondary raw materials and to move towards a circular economy.

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