

EuRIC Statement – Vote of the ENVI Committee on waste legislation Recyclers concerned about negative impacts on competition in recycling markets

The European Parliament's ENVI Committee voted on 24 January 2017 on hundreds of amendments tabled on the proposals reviewing the waste legislation. The vote resulted in certain improvements supported by the European Recycling Industries Confederation (EuRIC), including:

- Comprehensive **pull measures** which are instrumental to level the playing field with virgin materials and boost the demand for recycled materials;
- More stringent **obligations linked to separate collection**, in particular of bio-waste, or to sorting prior to incineration which will contribute to strengthen the waste hierarchy, drive quality and ensure that recyclables are not ultimately landfilled or incinerated;
- Higher recycling targets echoing what recyclers do since decades: find innovative solutions to **recycle all kinds of waste**, intrinsically valued as resources, into new raw materials.

Nevertheless, recyclers regret that overall, on key issues, the outcome of the vote will impede the shift from a linear to a circular economy, if not corrected during the vote in plenary session.

In particular, the ENVI Committee failed in correctly framing the **definition of municipal waste** by deleting the "quantity" criterion and including waste from "small businesses, office buildings and institutions" in its scope. In the absence of an objective criterion, there are genuine risks that industrial and commercial waste streams currently efficiently collected and recycled in competitive markets will be tomorrow unduly considered as municipal waste simply because they are comparable in nature and composition. This would result in additional costs for taxpayers' money and in further competition distortions. *"Competition is a decisive success or failure factor of a circular economy as it drives efficiency and innovation. The same applies to recycling which provide local jobs accross Europe on top of all the environmental benefits it brings "*, commented Michael Schuy, EuRIC President. *„It is hence vital to ensure in later steps of the decision-making process that fair competition in recycling markets will be effectively taken into consideration“*, Schuy added.

EuRIC also sees scope for improving rules on the calculation method to measure recycling rates following the vote of the ENVI Committee. Recyclers have a vested interest in supporting uniform rules to measure real recycling rates and ensure that only waste turned into new raw materials is counted as recycled. **By opting for a calculation method based on the notion of „input into final recycling“, even better aligned with the definition of recycling, the ENVI Committee chose a method which falls short on two major aspects.** First, this notion confuses two distinct steps in the value chains, namely recycling and manufacturing, the latter using both virgin and recycled materials. Second, at this stage, it is in most instances very difficult if not impossible to trace back the origin of the waste stream(s) for which targets have been set. Members of the European Parliament and Member States need to ensure that ultimately the rules to measure recycling targets will not create more confusion and loopholes but rather deliver robust and comparable statistics across the EU.

Through its Member Recycling Federations from 20 EU and EFTA countries, EuRIC represents today over:

- ✓ 5,500 companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;
- ✓ 300,000 local jobs which cannot be outsourced to third EU countries;
- ✓ An average of 150 million tons of waste recycled per year (paper, metals, glass and beyond).

Recyclers play a key role in a circular economy. By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again.