

Decisive actions needed to support plastics recycling in Europe

The European plastics recycling industry has been severely impacted by the COVID-19 pandemic. Plummeting oil prices have resulted in a sharp decline of virgin plastics prices.

The cost structure and the carbon footprint of virgin and recycled polymers is completely different, yet they compete on prices stresses, Paul Mayhew, President of EuRIC Plastics' Recycling Branch (EPRB).

Sharp drop in prices and demand for recycled plastics, which can't compete with virgin polymer prices resulting from the crash in crude oil values, jeopardize the economic viability of many plastics recyclers across Europe, be them active in packaging, engineering or construction and demolition waste plastics recycling, as recently echoed¹. Should the current situation continue, the impacts will be far-reaching putting at risks both the attainment of the objectives set in the EU Green Deal and the New Circular Economy Action Plan which require to scale up – not to diminish – the European recycling capacity and resulting in the loss of green jobs in various Member States.

The only positive development relates to food-grade r-PET which thanks to recycled content targets set by the Single-Use Plastics Directive has weathered the storm with stable demand and price, completely de-correlated from plummeting oil and virgin prices, since brand-owners are gearing up for the 2025 and 2030 targets in beverage bottles.

The two-tier market witnessed in the current crisis where plastics used in applications not subject to binding sustainability targets sees their prices driven by short-term cost-savings offered by the crash of oil values versus plastics used in applications benefiting from sustainability targets whose price-setting follows a positive trend, regardless of the crisis, is the ultimate proof of the need to set targets of incorporation of recycled materials in new products, emphasized Sophie Sicard, Vice-President of the EPRB.

EuRIC calls for urgent measures to support plastics recycling in Europe:

- Systemic support in Member States to the plastics recycling industry, in particular in mechanisms to stimulate the demand for recycled materials
- Pragmatic mandatory EU recycled content targets for plastics commonly used in products to stimulate the demand for recycled materials and secure investments to scale up capacity and create jobs in Europe;
- Incentives, be them market or tax-based, to close the price gap between virgin and recycled plastics proportionally to the well-documented CO₂ and energy savings from plastics recycling.

EuRIC - The European Recycling Industries' Confederation - is the umbrella organisation for recycling industries. Through its Member Federations from 21 EU&EFTA countries, EuRIC represents across Europe 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;
- Million tons of waste recycled per year (metals, paper, glass, plastics, WEEE, ELVs, textiles, tyres and beyond);

By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again.

¹ Press release of PRE, 27/05/2020, Plastics recyclers cease production:
<https://www.plasticsrecyclers.eu/post/plastics-recyclers-cease-production>