

PRESS RELEASE

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THE DROP IN DEMAND FOR SECONDARY MATERIALS SHOWS THE NEED FOR CREATING NEW MARKETS IN EUROPE

PRO EUROPE members call for EU decision-makers to address the issue of secondary raw material surplus at an extraordinary meeting of EU Waste Directors organised by the Czech Presidency on 16 February.

Over the last few months, the market for recyclates – particularly steel, papers and plastics – has suffered, leading to oversupply and increasing stockpiles. This situation is directly linked to the global economic recession and the consequent fall in demand for secondary raw materials from third countries such as China and India.

Underlining the ambitious recycling targets set by the European Union, Joachim Quoden, General Manager of PRO EUROPE stated: *“Producer responsibility schemes have been instrumental in achieving recovery and recycling targets for packaging waste. However, the current situation shows that relying on demand from non – EU countries is not sustainable. We have to create new markets in Europe for products with recycled content in order to continue our path towards becoming a recycling society.”*

Despite the situation, PRO EUROPE reiterates that Extended Producer Responsibility is the most efficient system to finance the recovery and recycling of materials in Europe as it has proved its strength in good as well as in difficult times. Nevertheless, the European Union needs to create a pragmatic and motivating legislation that provides the conditions to maximise its effectiveness.

Calling for action, Zbynek Kozel General Director of the Czech Green Dot System suggested possible short term solutions such as a flexibility on the deadline to fulfil the minimum recycling targets, facilitating the licensing of warehouses where waste can be safely stockpiled if necessary and, most importantly, improving the Waste Shipment Regulation so that imbalances between supply of packaging waste and recycling capacities can be overcome: *“A Europe without barriers for secondary raw materials is necessary. There are enough recycling capacities to deal with all packaging waste, but there is not enough demand for their output.”*

The creation of a favourable economic environment for the recycling industry is needed as sufficient recycling capacity does not lead to sufficient demand. PRO EUROPE members therefore call on the EU to look into **long term solutions** to address any imbalance of supply and demand in recyclates whatever the market price is. This could be achieved through measures that stimulate demand such as EU public procurement policies that promote the purchase of recycled products the purchase of recycled products when available, the use of market-based instruments and economic incentives including the application of reduced VAT rates and lower administrative charges for recycled products or CO² certificates for the recycling industry.

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Who is PRO EUROPE?

PRO EUROPE (Packaging Recovery Organisation Europe) is the umbrella organisation for the packaging and packaging waste recovery schemes including those using the "Green Dot". PRO EUROPE acts as the authoritative voice and common policy platform for its members, representing the interests of all packaging recovery and recycling organisations".

PRO EUROPE's members span 31 countries: 25 Member States (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom), 2 candidate countries (Turkey, Croatia), Norway, Iceland, Ukraine and Canada.

The members of PRO EUROPE wish to demonstrate that the recycling of used packaging is an important step on the path towards the sustainable development that is necessary to safeguard our planet for future generations. Their work in Europe and worldwide is both successful and transparent.

PRO EUROPE is headquartered in Brussels. The General Manager is Joachim Quoden, and Pascal Gislais and Ursula Denison act as Secretary Generals.