



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 26 November 2008**

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**ENV 889**

**NOTE**

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from : General Secretariat  
to : Delegations

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Subject : Waste – The fall in demand for recyclate materials

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Delegations will find annexed a note from the Irish delegation on the above subject, which will be dealt with under "other business" at the meeting of the Council (Environment) on 4 and 5 December 2008.

## WASTE – THE FALL IN DEMAND FOR RECYCLATE MATERIALS

The issue Ireland wishes to raise is the significant recent decline in commodity prices for recyclates. In so doing, Ireland would like Council and the Commission to:

1. Note the serious situation now prevailing and its potential consequences for the achievement of the Recycling Society, for the achievement of EU recycling and landfill diversion targets, and for public confidence in current waste policy, as outlined in the new Waste Framework Directive.
2. Consider what steps might now need be taken to deal with this unprecedented situation and,
3. Commit to keeping this issue under review.

Recently, a new Waste Framework Directive was adopted which provides that Member States should ‘support the use of recyclates, such as recovered paper, in line with the waste hierarchy and with the aim of a recycling society, and should not support the landfilling or incineration of such recyclates whenever possible’. The achievement of that objective is now threatened by the sudden fall in demand for recyclates - such as paper and metals, arising from the global economic downturn, as well as the reduced demand for waste plastics arising from a decrease in the price of oil. The significant reduction in the price of steel is also threatening the successful recycling of end-of-life vehicles.

The European Union has made major efforts in recent years to stop these materials going to landfill. The adoption of legislation such as Directive 94/62/EC on packaging and packaging waste, Directive 2000/53/EC on end-of-life vehicles and Directive 2002/96/EC on waste electrical and electronic equipment have helped member states to divert these waste streams from landfill and have helped to foster a greater awareness of the environment among consumers.

Over a number of years goodwill toward recycling has been built among the general public and all efforts should be made to ensure that the current difficulties within the industry do not undermine the positive response of consumers towards recycling.

### **The policy context**

In June 2007 the Environment Council adopted conclusions on a new impetus for EU environmental policy reaffirming that environmental policy-making based on the 6<sup>th</sup> Environment Action Programme (6<sup>th</sup> EAP) ‘represents the environmental dimension of the over-arching objective of sustainable development, as laid down in the renewed EU Sustainable Development Strategy’. The Council confirmed as a priority area the ‘sustainable use of natural resources and ensuring the sustainable management of wastes’.

The Mid Term Review of the 6<sup>th</sup> EAP, which was before Council then for consideration, stated that the ‘amount of waste continues to grow and the inability to break the link between economic growth and the environmental impacts of resource use, consumption and waste remains an essential concern’.

The environmental challenges of waste which include the risk of pollution to water, land and air, the use of valuable land space and the release of greenhouse gases from landfills and waste transportation are not insignificant.

In this context therefore the fall in demand for recyclates is a matter of grave concern.

### **Impact to Date**

The current market conditions are making it economically unviable for both private enterprise and public bodies to continue to collect and recycle these waste streams with a subsequent threat to jobs in the recycling industry and to the investment already made in, for example, the separate collection of recyclates.

Ireland and other Member States, which by virtue of geographical location and size have interim recovery facilities and lack final recovery facilities, are greatly exposed under normal circumstances to market fluctuations. In what is now a global recession, the problems are exacerbated. This is a phenomenon that has already impacted on a number of Member States and it is a problem that will be multiplied as these materials are stockpiled. Indeed stockpiling will not provide an answer for many materials, paper for example, as quality will decay and ultimately they may need to be disposed of. Member States have made significant efforts to meet the challenging targets laid down by the EU and innovative solutions will need to be found to allow these targets to be met and maintained at their current levels.

### **Actions taken so far**

Ireland raised this issue at the informal meeting of EU Waste Directors in Brussels on 14 November 2008 and has put it down as an agenda item for the Article 21 Packaging Directive Committee on 10 December 2008.

At national level, Ireland has established an Action Group of private and public bodies to examine what can be done both in the short and medium term.

Additionally, Ireland is monitoring enforcement efforts to ensure that companies involved in the waste collection / recycling sector do not take actions that might undermine the significant work done in recent years in educating consumers – business, individuals, public bodies – about the need to recycle; to clamp down on fly tipping and illegal dumping; and to clamp down on the possible export of illegal material.

## **Role of Environment Council**

By raising this issue Ireland wishes to highlight it at political level and to see if there is a consensus of measures that could be agreed at EU level to help the sector in the short-term. These could possibly include;

- a comprehensive Commission review of the current situation, focussing on those Member States who rely heavily on the export market and incorporating suggested recommendations that might be undertaken;
- to establish whether there is any EU financial or other aid available to help the sector continue to trade through this difficult period;
- to consider what additional or accelerated steps can be taken at EU level in the area of sustainable production and consumption to reduce and minimise packaging and other waste and to improve the recyclability of such waste;
- to request any Member States who currently have a ban on inward shipments of recyclates what they may be able to do to assist in the short to medium term;
- to request the incoming Presidency to place this item as a substantive item on the agenda for the next Environment Council for possible debate or Council conclusions.

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