

4 November 2021, Brussels

To the kind attention of:

Frans Timmermans

Executive Vice President for the EU Green Deal

Virjinius Sinkevicius

Commissioner for Environment, Oceans and Fisheries

Thierry Breton

Commissioner for Internal Market

EC Commission, 200 rue de la Loi - B 1040 Brussels

Subject: call for a revised Waste Shipment Regulation allowing for fair, safe shipments of green-listed waste outside EU

Dear Executive Vice-President Timmermans,
Dear Commissioner Sinkevicius,
Dear Commissioner Breton,

FEAD, the European Waste Management Association, represents the whole waste management chain, from collection to preparation for recycling, recovery, disposal, operated by private companies. On behalf of our organisation, I would like to express our **deepest concerns regarding the potential restrictions on the export of non-hazardous waste in the upcoming revision of the Waste Shipment Regulation (WSR).**

FEAD strongly stands by the objectives of the Circular Economy Action Plan and of the Green Deal. **To achieve these long-term objectives, strengthening EU recycling and recovery markets is essential.** Accelerating the uptake of secondary raw materials by the EU manufacturing sector, improving collection systems, and, thus, the sorting performances, is our priority. But, even if circularity was maximised within the European Union, **waste shipment within and outside the EU remains critical for achieving the EU circular economy objectives.**

Waste shipments **within the EU** are essential, from a logistical point of view, to recycling and recovery, as no Member State has all facilities on its territory for all waste streams. A number of installations are dimensioned at an industrial scale, resulting in cross-border waste movements across Europe.

Waste shipments **outside the EU** are essential as well, as significant tonnages of sorted or processed waste find their outlets where there is a demand, that is to say where there is a strong manufacturing activity, e.g. in Asia. If waste management operators have no more access to these markets, significant amounts of sorted/processed waste will not be finally recycled at all and the manufacturing sector in the export countries will use virgin material instead of recyclates, as they are far from having local proper waste management chains.

As amended in 2019, the Basel Convention already restricts some exports of non-hazardous waste to countries (non-OECD) where their environmentally sound management cannot be ensured. Yet, **it remains essential that waste operators are allowed to export sorted or processed waste, under conditions of transparency, beyond EU borders, as commodities markets are global, and large fractions of manufacturers are located outside EU.** This remains capital for our business.

With recyclates' markets significantly suffering from a lack of demand from manufacturers of new products, **potential export restrictions are set to further sink the prices of recyclates in the EU,** with a trend to aligning them to virgin materials' lower prices, unless clear and significant (i.e., beyond PET in beverage bottles) recycled content obligations are introduced in the short term. Such new, strong pull measures need to be taken to create a true shock on demand. Anticipating these measures with a premature "export ban" would be at major economic risks for our sector, and for circularity.

While the effects on EU treatment capacities and recyclates' markets are difficult to estimate at this stage, a forecast can be provided on the basis of past experiences. For instance, in 2017, the introduction of China's so-called "green fence" has led to a de facto ban on imports of a number of waste flows. This unilateral policy has significantly impacted the paper recycling sector, among others, due to the still limited capacities for recycling currently existing in the EU. With an EU treatment capacity for this stream set at 48 M tons, this has left the market with a surplus of over 8 Mt tons in need of recycling. This clearly shows the need for exports in ensuring that treatments higher up the waste hierarchy can be ensured, waiting for policies to substantially stimulate the market demand for recyclates are put in place beforehand and on the long-term.

Market situation may evolve, following cycles and depending on the overall economics. Whatever the global trends on given commodities are, waste shipments remain key to avoid closed EU markets that would be detrimental to our investments in collecting and processing waste.

A ban looks like a strong and striking political signal, but it would be at the expenses of waste management current and future investment, and, in the end, of true circularity. Other instruments but a ban can be put in place, in order to ensure transparency and environmentally safe treatment conditions in destination countries. Apart from the protection of environment, which is a priority goal that can be served by other means, we do not see any positive economic effect of a potential exports restriction, on the contrary.

Green-listed waste transfers for recycling and recovery, thanks to strong EU rules ensuring safe and environmentally sound practices, are key in our globalised recycling and recovery markets, as circularity takes place in a global economy.



Peter Kurth
FEAD President