

PRESS RELEASE

Plastic Recycling Industry at Crossroads: Uncertainty and Shrinking Demand Shifts

Brussels, 12 October 2023

The European plastic recycling industry is facing pressing challenges as **the demand for recycled polymers dwindles to its lowest point in recent years**. The lack of manufacturers' commitment to introduce recycled material in new products and the growing imports from third countries are the main obstacles to the circularity of European plastic waste and to the development of the European recycling industry. On top of that, like numerous other industries, the recycling sector is not immune to the surrounding economic uncertainties and the ongoing inflation crisis. Hence, **decisive, and bold policy measures are required** to support one of Europe's key industries for transitioning to a circular and carbon-neutral economy.

Setting mandatory recycled content targets has proven to be an effective and valuable tool to boost the uptake of recycled materials and increase the recycling capacities in Europe. Indeed, the recycling capacity witnessed a 17% growth in 2021 only in EU27+3¹ and almost doubled over a 5-year period, with substantial investments and innovation accelerating in the sector. However, for the potential benefits of the recycled content mandate to materialize fully, it must be accompanied by robust mechanisms ensuring traceability, accurate accounting, and rigorous verification of recycled polymers.

*"Recycling companies across Europe are investing in new equipment to both upgrade the recyclates and increase the recycling capacities. Our industry is taking its full share of the effort to the transition towards more circular and carbon-neutral plastic value chains. However, **European plastic recyclers are currently operating well below their full capacity due to insufficient demand**. This situation questions investments made by European recyclers to meet carbon-neutrality and circularity targets, as well as it questions recycler's future ability to invest more"* commented Sophie Sicard, President of EPRB, EuRIC's Plastics Recycling Branch.

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

- Implementation of pragmatic mandatory EU recycled content targets for plastics to stimulate demand for recycled materials and secure investments to scale up recycling capacity in Europe.
- Strong mechanisms for verification and traceability of recycled polymers, to protect the European recycling industry from unfair competition and fraudulent import. When quantifying recycled plastic content, mandatory third-party certifications are needed to preserve the transparency and credibility of the industry.
- Introduction of incentives, whether market or tax-based, to bridge the price gap between virgin and recycled plastics. For instance, fiscal incentives in the form of lower VAT rates for products made of recycled plastics can have a significant impact on stimulating recycling.
- Mandatory collection targets and design-for-recycling criteria to enhance the quantity and quality of inputs to recycling processes.

The European plastic recycling industry faces a defining moment; either we recycle the challenges into opportunities or let our future go to waste. It's time to repackage commitment, shape bold policies, and recycle our way to a circular, carbon-neutral era.

Note to editor:

For press-related enquiries, please contact Zoi Didili, EuRIC Communication Advisor, by email at zdidili@euric.org or by phone at +32 (0) 489 09 46 02. The [European Recycling Industries' Confederation \(EuRIC\)](https://www.euric.org/) is the umbrella organisation for the recycling industries in Europe. Through its

¹ EU27+3: European Union Member States, Norway, Switzerland, and United Kingdom



75 members from 23 European countries, EuRIC represents more than 5,500 large companies and SMEs involved in the recycling and trade of various resource streams. They represent a contribution of 95 billion EUR to the EU economy and 300,000 green and local jobs. By turning waste into resources, recycling reintroduces valuable materials into value chains over and over again. By bridging circularity and climate neutrality, recyclers are pioneers in leading Europe's industrial transition.

