

Aktuelle Entwicklungen in der Kreislaufwirtschaft
Évolutions actuelles de l'économie circulaire

Europäische Regulierung im Bereich Kreislaufwirtschaft
Réglementation européenne en matière d'économie circulaire

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Boosting secondary material markets in Europe

Ioannis Bakas | Circular Forum Bern
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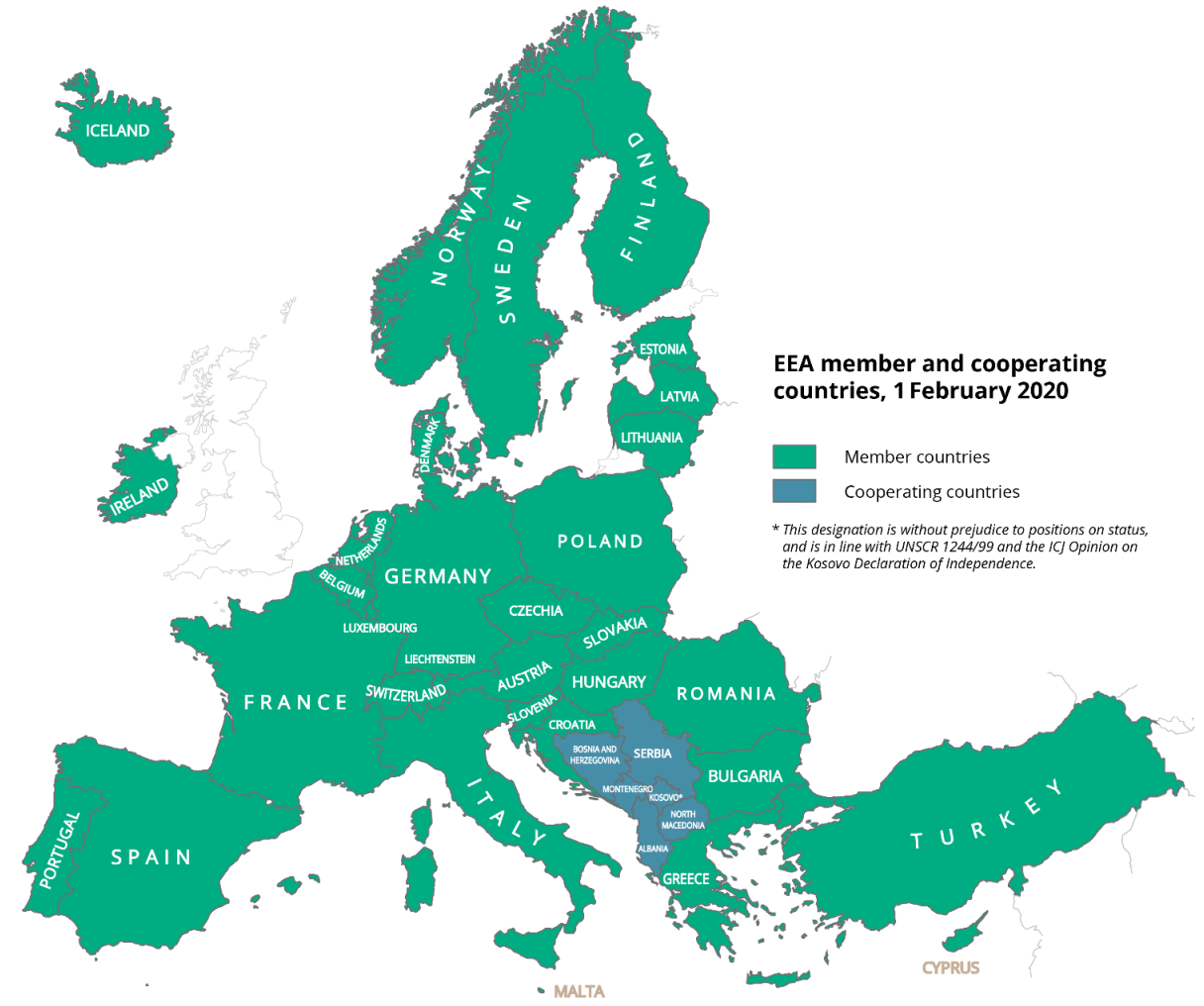


The European Environment Agency

The EEA is an EU agency that operates at the **interface of science and policy**.

The EEA provides **timely, reliable, targeted and relevant** information to support sustainable development.

The Eionet network comprises **1800 experts** from over **400 national institutions** in **39 countries**.

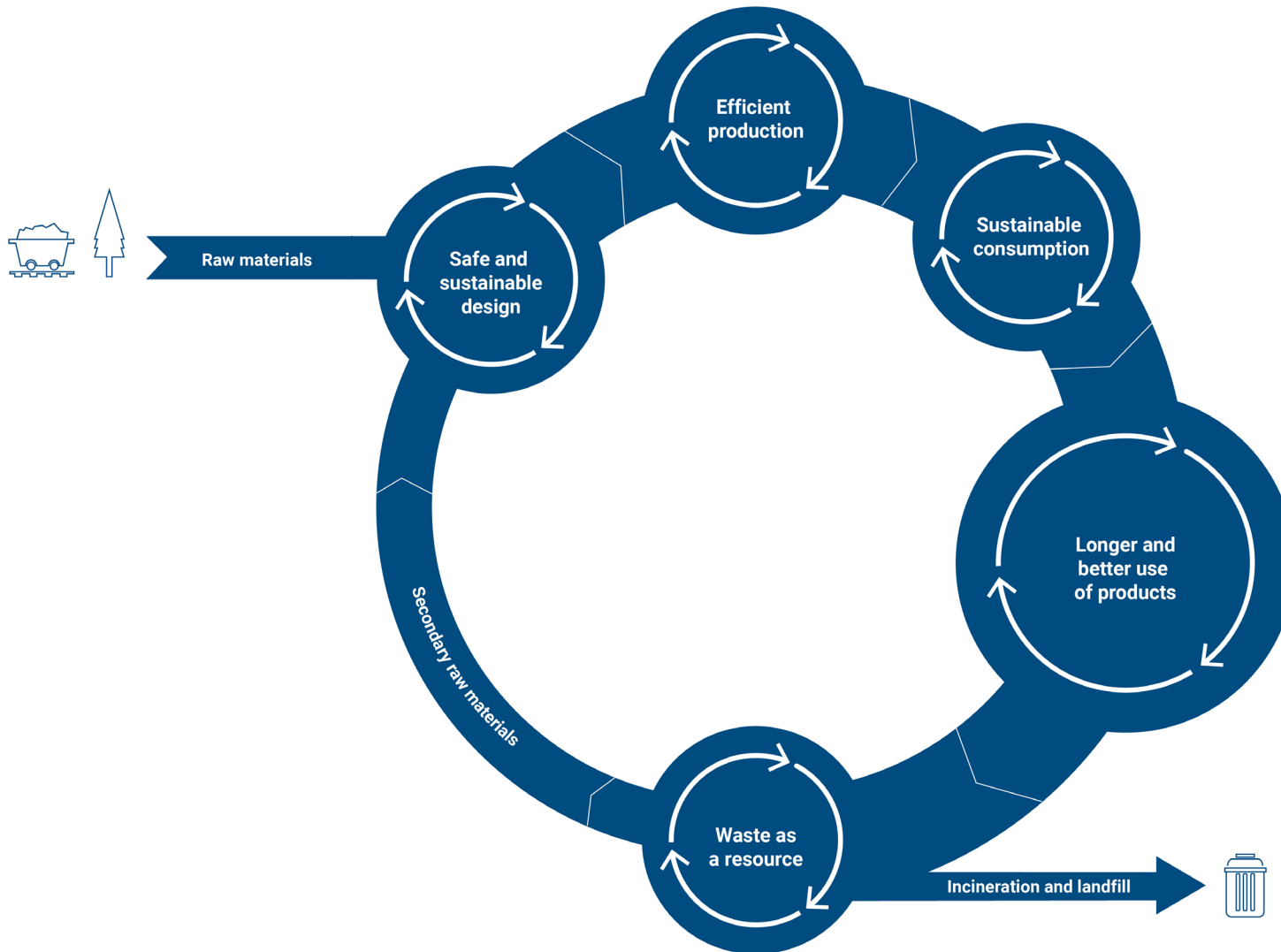




Initial reflection on the current context







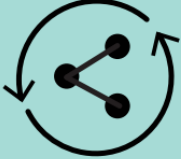




A transformation throughout the life cycle



Realising this vision by activating the potential of the touchpoints **minimises resource use and environmental leakage**, reducing environmental harm at the same time. Less resource requirements translates into **more security for Europe**



Actions for increased circularity within the product chain

BEFORE USE	DURING USE	AFTER USE
 REFUSE	 RETAIN	 RECYCLE
 RETHINK	 REUSE AND SHARE	 RETURN
 REDUCE	 REPAIR	
	 REMANUFACTURE	



EU policy developments

COMPETITIVENESS COMPASS



Circular Economy Act



Framing Secondary Material Markets in Europe



Secondary raw material markets

“An economic and logistical space linking waste management operations and the industrial raw material system.”



Traditional vs secondary material markets

- Dependency on primary material markets
- Potentially negative prices
- Inadequate information to actors
- Limited availability of market places
- Non-homogenic materials
- Externalities
- **Policy push**



Assessment of Secondary Markets (I)

Market size and growth

- › High shares of supply and demand with respect to total market size
- › Enough stable or increasing supply and demand
- › Open international trade and high tradability
- › High industrial capacity based on secondary material inputs



Assessment of Secondary Markets (II)

Role of policy drivers in market development

- › Non-policy-driven supply and demand
- › Included in compliance schemes for packaging waste or extended producer responsibility schemes
- › No competition from energy use



Assessment of Secondary Markets (III)

Prices

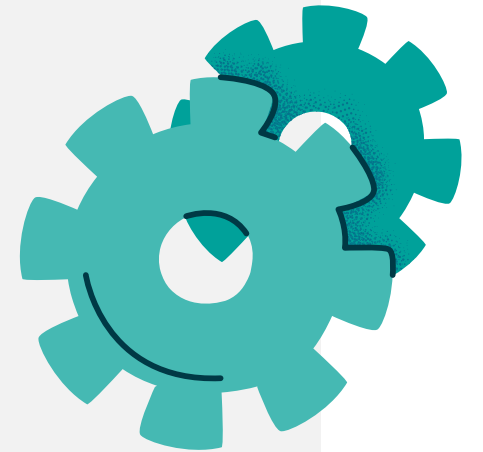
- › Reference international or national prices
- › 'Organised markets' for trading (e.g. futures)
- › Sufficient information available to both demand and supply actors



Assessment of Secondary Markets (IV)

Technical specifications and barriers

- › Product specifications are standardised
- › No regulatory barriers to using SRMs as inputs in manufacturing



Do Secondary Markets work well in the EU?

- › **Five** of the assessment markets are not well functioning.

Reasons: small size, weak demand and lack of technical specifications.

- › **Three** markets work well: historically recycled materials

Characteristics: established long time ago, open and international, significant market share in overall manufacturing.

	Aluminium	Paper	Wood	Glass	Plastics	Biowaste	C&D	Textiles
Market size and growth								
1. High share of supply and demand with respect to total market size	●	●	●	●	●	●	●	●
2. Enough stable or increasing supply and demand	●	●	●	●	●	●	●	●
3. Open international trade and high tradability	●	●	●	●	●	●	●	●
4. High industrial capacity based on secondary material inputs	●	●	●	●	●	●	●	●
Role of policy drivers in market development								
5. Non-policy-driven supply and demand	●	●	●	●	●	●	●	●
6. Included in compliance schemes for packaging waste or EPR schemes	●	●	●	●	●	Not relevant	Not relevant	●
7. No competition from energy use	●	●	●	●	●	●	Not relevant	●
Prices								
8. Reference international or national prices	●	●	●	●	●	●	●	●
9. 'Organised markets' for trading (e.g. futures)	●	●	●	●	●	●	●	●
10. Sufficient information available to both demand and supply actors	●	●	●	●	●	●	●	●
Technical specifications and barriers								
11. Product specifications are standardised	●	●	●	●	●	●	●	●
12. No regulatory barriers to using SRMs as inputs in manufacturing	●	●	●	●	●	No information	●	No information
Overall result	✓	✓	✗	✓	✗	✗	✗	✗

Note: ● = Criterion verified; ● = Criterion partly verified; ● = Criterion not verified;
 ✓ Well-functioning; ✗ Not well-functioning.



Secondary Markets: barriers to full potential



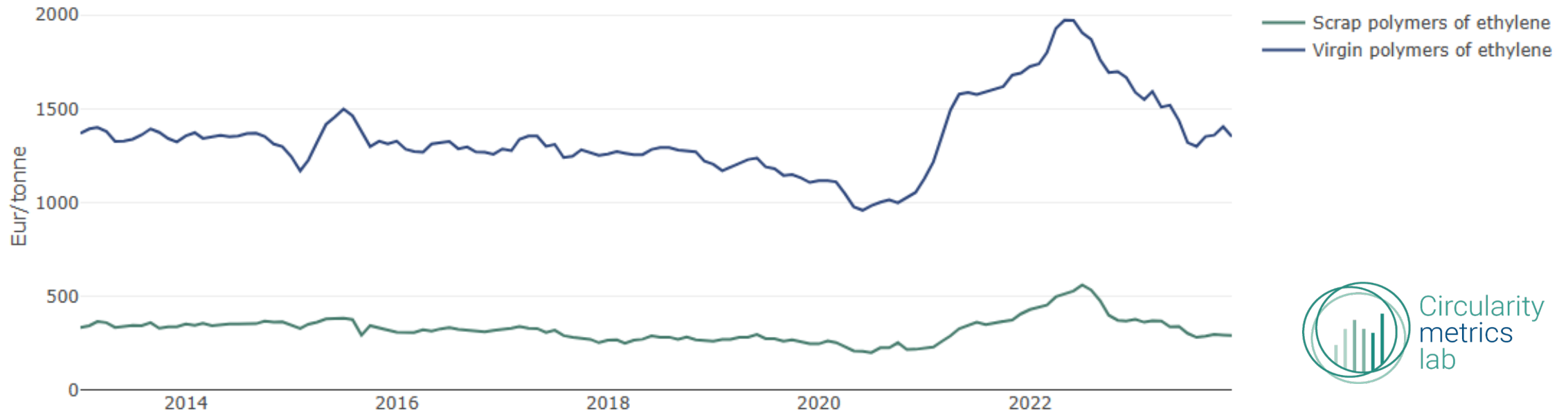
How can secondary markets improve?

Product manufacture and design	Supply of SRM	Demand for SRM
<ul style="list-style-type: none">• Eco-modulated extended producer responsibility fees• Design for environment measures• Restrictions on substances inhibiting recycling• Green public procurement	<ul style="list-style-type: none">• Recycling targets• Waste export restrictions• Harmonising collection schemes• Promoting material recovery over energy recovery• Standardising SRMs• End of waste criteria	<ul style="list-style-type: none">• Recycled content requirements• Ecolabel/product passports• Tax on primary raw materials• VAT reduction on SRMs



How can we monitor them?

Prices for PET vs rPET illustrate the challenge of achieving healthy secondary raw material markets



THANK YOU



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