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Plastics recycling in Europe must be expanded massively

Europe currently has more than 2,200 operational plants for the sorting and processing of plastic waste. They reach an overall capacity of approximately 55 million annual tons – which must be increased significantly in the years to come. Furthermore, about 30 chemical recycling projects are being prepared.

Plastics recycling in Europe is changing drastically: recycling requirements are ever-increasing and consumers are putting more and more pressure on trade and industry to handle plastics in a responsible manner.

Against this backdrop, the EU has also tightened the legal regulations. For plastic packaging, for instance, the mandatory recycling quota in the EU will increase to 55% by 2030. Simultaneously, a different calculation method will be applied to determine the recycling quotas in the EU – which means that today’s recycling quota must almost be doubled. Furthermore, in the future, nearly all of the recycling must take place within the EU. When assuming stable consumption amounts, this would mean that the plastic recyclates produced in the EU would have to increase from approximately 5 to almost 11 million tons per year.

And even this projected enormous growth could be too low, as there is no indication to assume stable consumption amounts: in the past, they have increased always. Traditional reasons for the ever-increasing use of plastics, e.g. in packagings, are an increasing population, growing consumption and the rising number of single-person households. These general trends will continue. “Furthermore, the plastics sector is a highly innovative field with developments happening more quickly than for other, natural materials,” says Mark Döing, General Manager of ecoprog GmbH. “Additional growth will e.g. be triggered by the e-mobility sector, in which high share of plastics will be used to minimise the weight of vehicles.”

According to estimations by the European association PlasticsEurope, global plastics production increased by about 75% between 2002 and 2018 alone. There are no public statistics on the plastics consumption.

In contrast to these growth forecasts, day-to-day-business of plastics sorting and recycling companies is tough, and not only since the coronavirus pandemic. It is characterised by dropping market prices, due to the oil price slump, and at the same time increasing costs, for energy, labour and the disposal of sorting residues.

To strengthen plastics recycling, the EU member states have adopted various measures, including the introduction or expansion of deposit systems for plastic bottles, the intensification of separate waste collection systems, but also higher costs for landfilling and incinerating waste.

However, these measures are no yet strict enough to align the ambitions of plastics recycling with the European reality. Nevertheless, topics such as recyclate quotas or a European plastics tax are only being discussed vaguely. Also, it remains completely uncertain how such measures would be implemented in today’s European economic system, which has been weakened by the coronavirus pandemic. As the first European country, Italy wanted to introduce a plastics tax in 2020, but has postponed this due to COVID-19.

To add facts to the heated debate on plastics recycling in Europe, which has been going on for months, ecoprog analysed the plastics disposal market in detail. We have focused on identifying plants, capacities and players in the sorting and recycling segments. Altogether, we collected and analysed data on about 1,200 sorting plants and 1,000 recycling plants in Europe, reaching overall capacities of approximately 55 million annual tons. ecoprog assumes that this database represents about 85 to 90% of the currently existing plants in Europe.

During this analysis, it has become obvious that the recycling business is particularly volatile, whereas the sorting business is more stable, as it generates higher revenue shares with disposal revenues. Especially for the recycling segment, future growth can be expected to also cause significant changes for the competitive landscape. So far, smaller, regional providers characterise the segment in many countries. Companies from the disposal industry, but also from the plastics industry, are rather reluctant to enter these markets.

Both sorting and recycling must be increased massively to fulfil the future requirements. For sorting, additional plants are needed as well as investments to improve the quality of the sorting – as only increasing the separate collection will not be enough to reach the already determined recycling quotas.

Comparatively large sums are currently invested for researching and testing chemical recycling technologies, although the EU does not even classify this as a type of recycling. Within the framework of our market study, we have identified and analysed more than 30 projects in this segment, also for commercial-scale plants

The market report “Plastics recycling in Europe” can now be ordered online: www.ecoprog.com

As a respected industry expert, ecoprog assists clients from Germany and abroad in dealing with implementation-oriented management issues in the sectors of environmental and energy technology. We focus on strategy consulting, market and competition analyses as well as multi-client studies.