



Investigating Europe's secondary raw material markets

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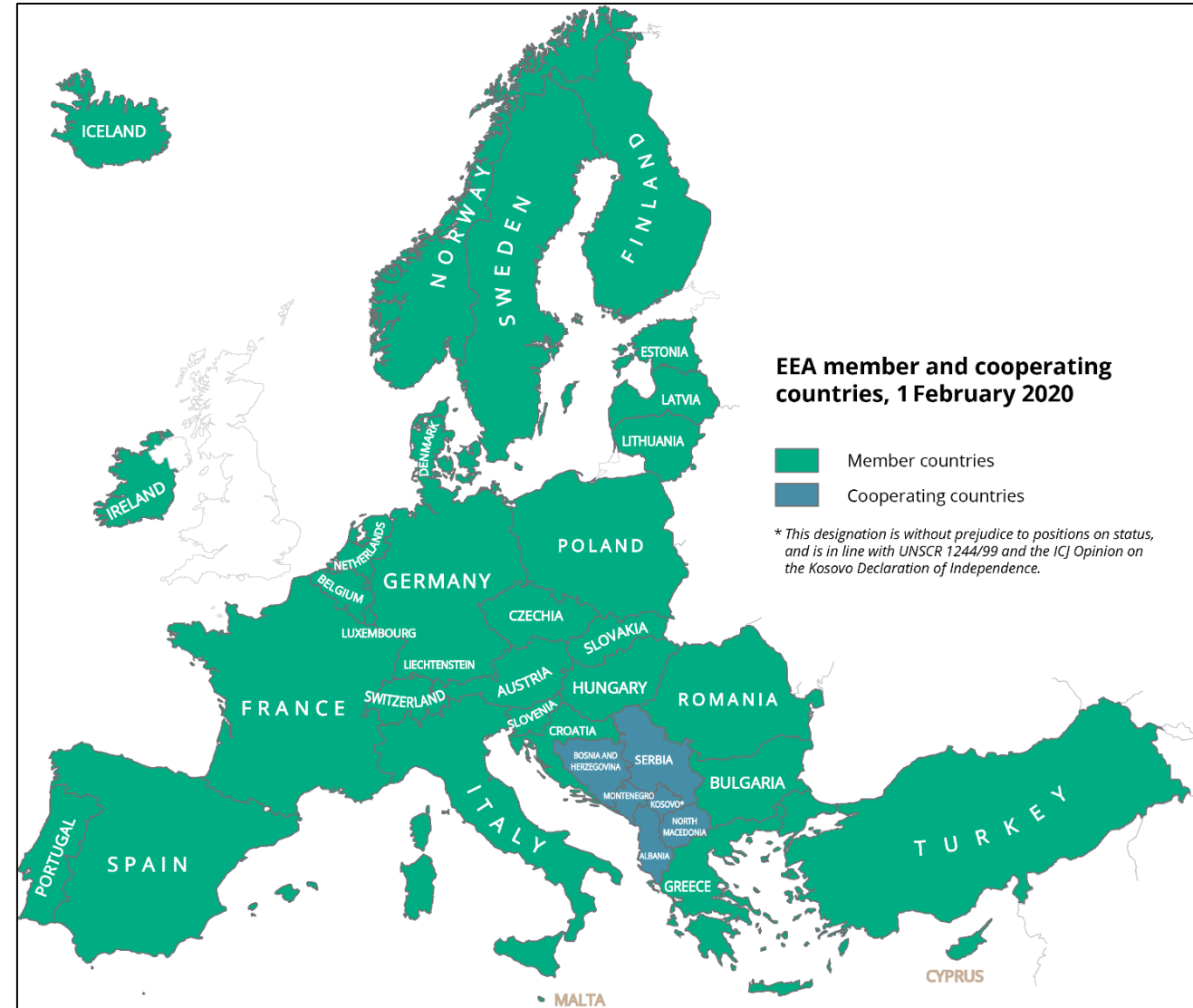


The European Environment Agency

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

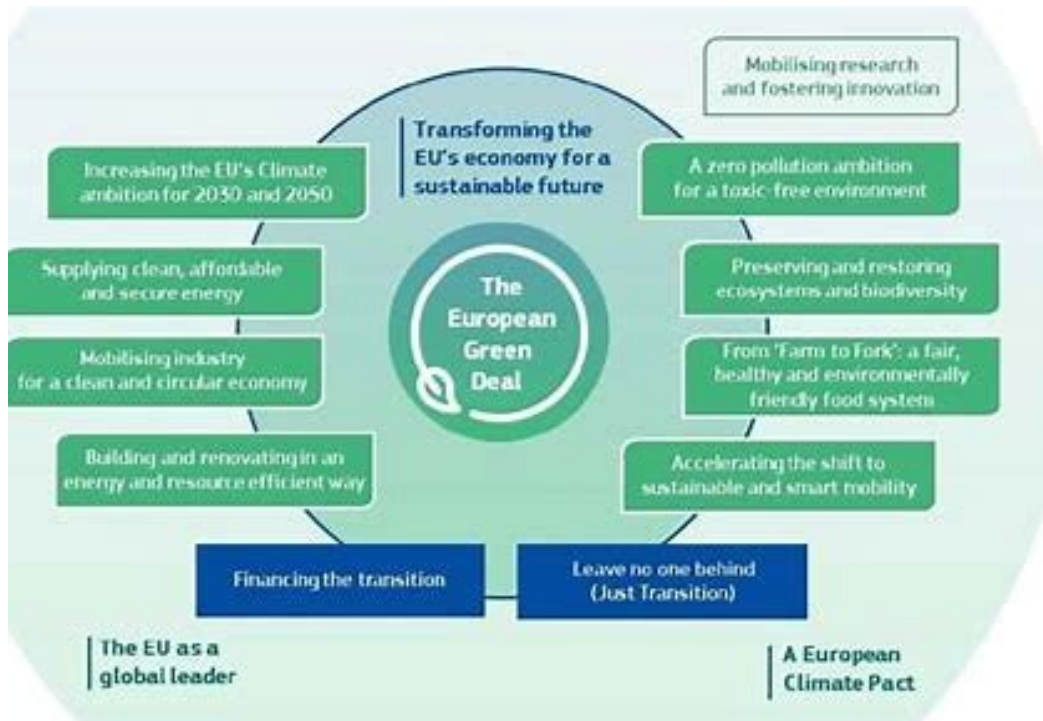
The EEA provides **timely, reliable, targeted and relevant** information to support sustainable development.

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



Circular Economy Action Plan (2020)

“Creating a well-functioning EU market for secondary raw materials”



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



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





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



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



Prices

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



Technical specifications and barriers

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

Are Secondary Markets working well?

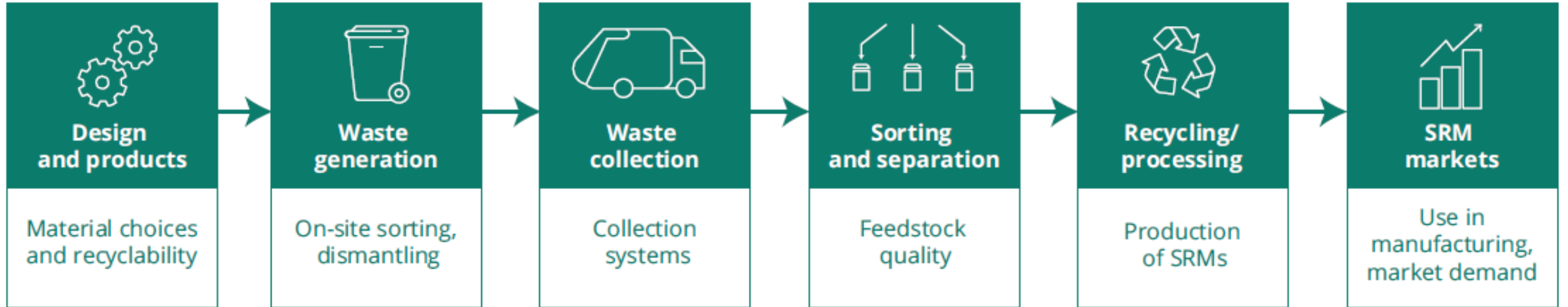
- **Five** of the assessment markets are not well functioning
 - Reasons: small size, weak demand and lack of technical specifications
- **Three** markets work well: historically recycled materials
 - Characteristics: established long time ago, open and international, significant market share in overall 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 their full potential



Weak regulatory push

Unstable supply

Costs of collection

Lack of focus on recycling quality

Lack of technical specifications or standards

Distrust in SRMs

Product manufacture and design

- Eco-modulated extended producer responsibility fees
- Design for environment measures
- Restrictions on substances inhibiting recycling
- Green public procurement

Supply of SRM

- Recycling targets
- Waste export restrictions
- Harmonising collection schemes
- Promoting material recovery over energy recovery
- Standardising SRMs
- End of waste criteria

Demand for SRM

- Recycled content requirements
 - Ecolabel/product passports
 - Tax on primary raw materials
 - VAT reduction on SRMs
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Thank you!

