Commission proposal will benefit Asian industry

The European paper industry closes the loop in paper recycling in Europe with a world record recycling rate of 72%. The European Commission’s DG Environment is now disrupting the best practices that supported this, by an ill-advised proposal for end-of-waste for paper.

The European Commission proposal on end-of-waste criteria for paper jeopardises jobs and paper recycling in Europe. European paper industries’ competitors in Asia will benefit from the current proposal, as it facilitates exports of recovered paper, of which the collection is largely paid by European tax payers. The end-of-waste criteria - as they are currently set – would make shipments of this precious raw material to Asia simpler and increase pollution through transport and recycling in facilities with weaker environmental policies.

The European paper industry could be self-sufficient in using recovered paper from Europe. Instead, the Commission endangers its best practice example in resource efficiency: paper recycling. The European Parliament will vote on an objection to the end-of-waste criteria for paper in the Environment Committee on 5 November. In the resolution objecting the proposal cross-party MEPs declare that the European Commission has stepped outside its legal mandate.

Commenting on the resolution from the European Parliament Teresa Presas, CEPI Director General, said: “It is obvious from past behaviour and from current communications by the Dutch traders and speculators of waste that their interests are contrasting the European paper industries’ interests. We are the buyers of recovered paper on the market, they want to sell.”

“As users of recovered paper we want to be able to set the quality specifications for our raw material. We hope the European Parliament and the European Commission will keep in mind that the original purpose of end-of-waste criteria is to facilitate recycling, not to obstruct it nor to burden the global environment!”, she stressed.

The jobs created by waste management companies are the same, whether the material they collect will be recycled in Europe or in Asia. But jobs and extra value in the re-processing and manufacturing industry are only kept in Europe, when the material is available in Europe. The end-of-waste criteria will cause a drop from 47 million tonnes to 37 million tonnes in paper recycling in Europe leading to closures of mills, including SMEs, and losses of 20,500 direct green jobs in the paper industry and additionally 140,000 indirect jobs in Europe.

The majority of EU member states at the Council and the whole European paper industry are opposed to the current end-of-waste criteria – not the end-of-waste principle as such. The
European Commission failed to submit a justification for moving the point of end-of-waste from the current point after reprocessing in paper mills to before reprocessing. Furthermore, defining end-of-waste before recycling has actually taken place would cause problems in relation to a vast body of existing Community legislation such as eco-labels, public procurement, eco-design and REACH where ‘recycling’ is referred to.

Jori Ringman-Beck, CEPI Recycling and Product Director explained: The European Commission has changed the way it deals with End-of-Waste and the current proposal for paper is still reflecting the early thinking of DG Environment in this area. The bureaucratic inertia of DG Environment now means they are pushing for adoption of a proposal that was drafted years ago and does not fulfil its original purpose: to facilitate resource efficient paper recycling made in Europe. We have been asking for quite some time and will continue to ask DG Environment to reflect on the on-going discussions and to revise the criteria for end-of-waste for paper.”

According to the Commission proposal, this paper in its actual form is ready to use ‘recycled paper’ – i.e. to be put into a printer, drafting a document on or be awarded an EU Ecolabel.

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**Note to the Editor**

**CEPI aisbl - The Confederation of European Paper Industries**
The Confederation of European Paper Industries (CEPI) is a Brussels-based non-profit organisation regrouping the European pulp and paper industry and championing industry's achievements and the benefits of its products. Through its 18 member countries (17 European Union members plus Norway) CEPI represents some 520 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 950 paper mills. Together they represent 24% of world production.

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**Commission proposal for end-of-waste**

**CEPI impact assessment of End-of-waste**
EU paper industry fibre cost will increase by €4.3 billion annually

- The proposed criteria will increase the cash manufacturing cost of the European paper industry annually by €4.3 billion (+3.3%), removing the only competitive advantage we have compared to the Chinese paper industry.
- Collected paper moving from EU to Asia will be worth €4.3 billion of virgin market pulp annually.

Gap between EU and China cash manufacturing cost increases from 17% to 25% to EU’s detriment

- The new criteria will disrupt best practice in paper recycling in Europe, causing a world champion recycling rate of 71.7% to collapse and leading to closures, including many SMEs, and losses of 20,600 existing green jobs in Europe and additionally 140,000 indirect jobs.
- Also embedded energy in recycle will be lost, exacerbating the EU energy balance.

Paper recycling in EU will decrease by 20% or 10 million tonnes

- The proposal exceeds implementing powers conferred on the Commission under the basic act and will result in increasing environmental damage both in the EU and globally.
- Paper recycling in the EU will drop from 47 million tonnes to 37 million tonnes p.a. leading to closures of mills, including SMEs, and losses of 20,600 direct green jobs in Europe and additionally 140,000 indirect jobs.