

Presentation by David Newman to the Cyprus Conference of June 23rd 2016

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Title : Circular economy and the waste industry: understanding the complexities and challenges

The presentation looks at the challenges faced by the waste sector in Europe to meet the new Circular Economy targets announced by the European Commission in December 2015.

The challenges involve: the creation of stable long term markets for secondary raw materials in a time of decline of commodity prices; the challenge created by lower energy costs including decreasing costs for renewable energies that today are increasingly competitive and capable of feeding large scale economies such as UK, Germany etc. ; the demographics of Europe are evolving rapidly and not always as we think, bringing population decline to many areas of the EU; and finally, how will the waste industry deal with the streams of new materials and technologies which are rendering current management models rapidly obsolete ?

Whilst many economies are already on the road to circularity in the reuse of secondary raw materials, these are all the richer nations (NL, BE, LU, GE, SW, AU, DK) whilst a second tier of nations is partially along that path (FR, UK, IR, SP, PO, IT, FI, SV) and finally a third tier is considerably behind (GR, RO, BU, PO, HU, SL, CY, the Baltic States). As economic wealth appears to be a precondition to recycling (as recycling is heavily subsidised) how will less wealthy nations reach those targets without substantial fiscal transfers from their populations to the resource industry ? And how substantial will be the financial resources which should be derived from the consumer goods companies through EPR programmes to pay for recovery of their products at the end of life ? It seems these companies resist further extension of such programmes, in the EU and internationally.

Missing in the package is a strong wording on organic recycling and the presentation looks at the need to organics to be recycled to soil whilst it also explores how data management will help us understand the complexities of our developing business.

The presentation concludes by noting that consolidation of the industry is inevitable to face the growing challenges and to scale up the response to multinational requirements for secondary raw materials, whilst changing consumption patterns and material flows require advanced forward thinking that often is missing in our sector.