



IMPACT OF BREXIT ON EU TRADE IN WASTE

Westminster awakens



The United Kingdom is leaving the European Union. This and other developments are creating uncertainty for the UK waste sector. The British are already putting together a new set of UK waste regulations. The Netherlands, an important trading partner with the UK, is keeping a close eye on developments and joining in the discussion.



Brexit will have an irrevocable impact on the waste trading relations

Author: Michel Robles

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Brexit will not mean a lowering of environmental standards.

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THERESA MAY
(UK PRIME MINISTER)

Brexit will have an irrevocable impact on the waste market, both for the United Kingdom and for the European Union. If all goes to plan, the UK will leave the EU in March 2019, at which point new UK waste legislation will come into force. The first outlines of this new regime are taking shape and would appear to negate the earlier concerns of UK waste companies. ‘Let me be very clear,’ stressed the UK prime minister, Theresa May, on 11 January 2018 at the presentation of the government’s 25 year environment plan, ‘Brexit will not mean a lowering of environmental standards. ... We will use the opportunity Brexit provides to strengthen and enhance our environmental protections – not weaken them.’

Green Brexit

Earlier, the environment minister, Michael Gove, had also announced a ‘green Brexit’. In the same week as May’s speech, Gove’s junior minister Thérèse Coffey, the parliamentary under-secretary of state for the environment responsible for waste policy, affirmed this in the House of Lords. ‘Industry is unnecessarily worried,’ she stressed in answer to critical questions on the consequences of Brexit for waste trade with EU member states. She explained that the current UK legislation is mostly in line with comparable standards and regulations set by the WTO and OECD. Coffey told that even a hard Brexit will not present a problem for the trade in waste. However, she did say she preferred to change the basis for setting the recycling targets from weight, as at present, to raw materials efficiency.



Driven by EU legislation we were well on the way to meeting the European 2020 targets for landfill and recycling.



LEE MARSHALL
(LARAC)

Close trading relations

As neighbours, the Netherlands and the United Kingdom maintain close trading relations, including trade in waste. A considerable fraction of the UK's combustible residual waste is exported to the Netherlands, Sweden, Denmark and Germany. The exported waste is pre-treated RDF (refuse derived fuel) and the Netherlands is the biggest importer, receiving about 1.5 megatonnes each year. Dutch waste-to-energy operators use this material to produce sustainable energy. Boris van der Ham, president of the DWMA, emphasises the added value of this British waste stream: 'The United Kingdom is making good use of the available waste-to-energy capacity in the rest of Europe so that it can invest in recycling.' This gives the British a clean and relatively cheap way of disposing of wastes that used to be landfilled. The savings in greenhouse gas emissions (methane) – even after accounting for transport overseas – are around the 90% mark. The gate fees per tonne of RFD are always cheaper than domestic landfill taxes. 'A common sense deal,' concludes Ray Georgeson of the Resource Association. The British consider this trade in waste to be 'running fairly smoothly', despite procedural obstacles. These obstacles are being addressed in the [Green Deal North Sea Resources Roundabout](#).

**The first outlines
of the new
UK waste legislation
are emerging.**



The UK government believes the trade in waste with EU member states can continue after Brexit.

Tariff barriers

The UK government therefore believes the trade in waste with the EU can continue after Brexit. The fear among British companies that Brexit will result in new tariff barriers is not shared by Coffey and her civil servants. 'We export huge amounts of waste to EU countries, especially refuse derived fuels to waste-to-energy plants with an overcapacity in countries like the



Operators will have to build flexibility into their industry.



MIKE BROWN (RDF)

NSRR Green Deal: good progress

The aim of the [Green Deal for a North Sea Resources Roundabout](#), signed in 2016, is to remove the procedural obstacles to the trade in secondary raw materials. What has been achieved so far? Quite a lot, says project manager Robine van Dooren of the Netherlands Enterprise Agency (RVO) – despite all the uncertainties surrounding Brexit. 'Our British colleagues are very aware that after Brexit we will have to work together more creatively on North Sea trading relations. Green Deals are a good vehicle for doing this. Meanwhile, the problem analyses carried out under the Green Deal have led, among other things, to compost being granted end-of-waste status in the Netherlands, and this brings exports, to the north of England for example, a step closer.' End-of-waste status is also within reach for secondary materials from PVC recycling. 'Struvite (phosphate recovered from sewage sludge) has been added to the portfolio of cases and together with Austria we are looking into how compliant recyclers can reduce the time taken to complete the approval procedures for international trade under the EU Waste Shipment Regulation.' Van Dooren also notes that ideas and applications for new cases are still welcome.



Netherlands, but we already pay for most of these exports. It is simply a question of mutual common sense.'

Serious concerns

Nevertheless, the English waste industry has serious concerns. *Ray Georgeson*, CEO of the Resource Association, a UK professional advocacy body for the recycling industry: 'Not only Brexit, but also the Chinese import ban (China has recently tightened up its quality standards for waste imports – ed.) and the European Circular Economy Package are making the UK waste

sector nervous. On top of that, our government hasn't had a coherent waste and resources strategy for years.'

British concerns were extensively debated on 22 November 2017 during a House of Lords select committee hearing on the impact of Brexit on the UK's trade in waste. During this hearing, too, Brexit was not considered to be the biggest problem. What the invited British experts were most critical of was the UK government's own waste policy.

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It was time to determine what each of us is good at.

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BORIS VAN DER HAM
(DWMA)





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ROBINE VAN DOOREN
(NETHERLANDS
ENTERPRISE AGENCY)

Environmental policy axed

Whereas Wales and, more recently, Scotland have made use of their independent powers to achieve excellent recycling percentages, in England – governed centrally from Westminster – there has been a lack of vision and political decisiveness, complained the experts. Much environmental policy has been axed by cutbacks or outsourced to the private sector. The Department for Environment, Food & Rural Affairs has been reduced in size and for years has limited itself to ‘following Europe’. Implementation of policy has been decentralised to local authorities, but budgets have been halved and there are no sanctions for non-compliance.

Double whammy

‘Initially, driven by EU legislation, we were well on the way to meeting the European 2020 targets for landfill (35% of 1995 levels)

and recycling (50%), particularly through separate collection,’ says *Lee Marshall*, CEO of LARAC, the body representing local authorities on recycling issues. ‘But the crisis and the cutbacks have put a stop to local government initiatives, and therefore also to private innovations.’ According to Georgeson, plastic recycling was also hit by the double whammy of falling oil prices – making virgin plastics cheap – and the emergence of China as a mega recycler. An export surge followed, putting important UK recycling companies out of business. In the House of Lords, Thérèse Coffey put the criticisms of English recycling performance into perspective, pointing out that England is much more urbanised than Wales and Scotland and so faces more of an uphill battle due to the difficulties of arranging separate collection in high rise buildings.

**As neighbours,
the Netherlands and
the United Kingdom
maintain
close trading relations.**



Reducing landfill

Over the past 20 years or so the United Kingdom has made considerable investments in reducing the amount of waste going to landfill, and with some considerable success. The percentage of municipal waste landfilled has been reduced from 90% to around 30% by focusing on recycling and waste-to-energy for combustible residual waste streams. Soon Great Britain will have 41 waste incineration plants with a total annual capacity of 16 to 18 megatonnes. But this is not yet enough, which is why each year about 4 megatonnes of pre-treated RDF (refuse derived fuel) are exported to other EU countries for processing. These exports save about 2 million CO₂ equivalents per year because less waste is landfilled in the UK.

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Brexit and the Chinese import ban are making the UK waste sector nervous.

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RAY GEORGESON
(RESOURCE ASSOCIATION)

Flexibility

One thing seems to be certain: the United Kingdom needs some serious investment in its waste treatment infrastructure. In the longer term there are two options, conclude people like Marshall: go all out for recycling and/or rely temporarily on waste-to-energy. The focus on recycling rhymes with

EU policy and according to some will create more jobs. ‘But,’ warns *Mike Brown*, Secretariat to the RDF Industry Group, ‘the European Commission’s proposed 65% recycling target for municipal waste in 2030 threatens to leave us with an incineration overcapacity again. Operators will have to build flexibility into their industry.’ Georgeson

thinks a step-by-step transition to ‘circular’ is only logical. ‘But indefinitely maintaining waste-to-energy capacity is going to frustrate the recycling targets in the Circular Economy Package.’

Visit to London

The Dutch waste sector is keenly following developments on the other

The DWMA visited the UK waste sector in October 2017.



side of the North Sea. As Brexit and other recent developments on the global waste market are affecting trade between the two countries, the DWMA decided to visit the UK waste sector in October 2017. The UK waste sector was represented by the private sector and local authorities, which in England are responsible for the collection and treatment of municipal and commercial waste. The aim of the visit was to jointly reflect on future UK-EU and UK-Netherlands trading relations. The DWMA took part in the House of Lords EU Energy and Environment Sub-Committee hearing on 22 November 2017.

Boris van der Ham, president of the DWMA: 'It was time to determine what each of us is good at so that we can ensure that the current trading situation is at least maintained.' *Georgeson*: 'Working visits like this enable you to understand each other's dilemmas. This is important because as trading nations we traditionally have a lot in common.'

Clarity, and with it new trading prospects, are on the horizon.

Government strategy

Whatever the case, Westminster has woken up. At the end of November the UK government published its [Industrial Strategy](#), which announces substantial new investments and contains plenty of intentions for developing the circular economy. In mid 2018 the recent

25 year environment plan will be supplemented by a new resources and waste strategy. Clarity, and with it new trading prospects, are on the horizon. 'It won't be entirely painless, I'm sure,' says *Georgeson*, 'but it isn't football. As long as the government acts like a fair referee, the losses will be bearable.'

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Industry is
unnecessarily
worried.

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THÉRÈSE COFFEY
(UK JUNIOR
ENVIRONMENT MINISTER)

More information:

- [25 Year Environment Plan](#)
- [Hearing House of Lords](#)
- [The UK's Industrial Strategy](#)
- [Green Deal North Sea Resources Roundabout](#)
- [Circular Economy Package](#)

