

Bulgarian textiles recycling association sounds warning on planned eco-tax

Tax could be "devastating" for sorters relied on by other European countries

(BG) – In an attempt to head off legislative changes they believe will undermine the circular economy, Bulgarian waste textiles recyclers are calling attention to their government's plans to institute a tax or fee on second hand clothes. At a special "Workshop on the Bulgarian Eco-Tax on Second Hand Clothing" at the Bureau of International Recycling's Convention held in London over the first weekend of October, the Bulgarian Association of Recyclers and Traders of Second Hand Clothes (ARTSHC) reported on coming legislative

changes and laid out concerns with respect to their impact within Bulgaria as well as on the broader European market.

According to the ARTSHC, the procedures for amending Bulgaria's Waste Management Law including the potential introduction of an extended producer responsibility (EPR) fee for all second hand clothes put on the local market began on 30 May of this year. The trade association reportedly received a letter from the government explaining that the changes in the legislation would implement the revisions to the EU Framework Directive that were adopted this spring and which went into effect on 5 July. The government also intended to reduce both the import of waste textiles to Bulgaria and the incineration of the material. It was as yet unclear whether only second hand textiles would be affected or whether new clothes would also be subject to the fee or eco-tax, and nothing was known about when the legislation might go into effect.

The ARTSHC, which represents Bulgarian waste textiles recyclers, argues that the additional cost of an EPR fee or eco-tax could ultimately lead to the closure of sorting companies in Bulgaria, which already worked on very tight margins. Sirma Zheleva, ARTSHC's secretary general, told EUWID that it was not yet clear how high the eco-tax might be. The fee for textiles packaging paid by companies which do not manage their own packaging waste or join a compliance scheme currently stands at €0.40 per tonne. However, there was no guarantee that the eco-tax imposed would lie below the packaging charge. The fees imposed on waste tyres were higher than those on new articles. "If such a tax is applied for second hand clothes this will be devastating for our business," said Ms Zheleva. The trade body believes the eco-tax would also be a boon to the "existing economy of unregistered companies", which would only grow in the vacuum left by legitimate operators.

ARTSHC also believes the proposed fee will jeopardise the wider European textiles recycling market and noted that "a large proportion" of second hand clothing collected in Western and Central Europe was sent to Eastern Europe for sorting. The adverse effects of this "EPR fee" could reflect poorly on EPR systems in general, the trade group argues.

The ARTSHC estimates that the sector employs over 8000 staff members in Bulgaria and is responsible for recycling and preparing more than 50,000 tonnes of used textiles for reuse per year. Some 20,000 tonnes per year are exported.