

The producer should pay for textile recycling

In Europe, around 3.5 million tonnes of used textiles are collected and processed each year, plus an undetermined tonnage of shoes. The industry also offers employment to some 150 000 people. The question is, however, how long will this last. The European textile recycling industry is currently facing the worst structural crisis in its long history.

There are many factors that have led up to this. First of all, the market has been in the doldrums for more than two years and, in this time, sorting companies have not been able to make any profit. The current low exchange rate of the U.S. dollar is exacerbating the situation for European exporters. But far worse than the market conditions is the structural crisis. If things don't improve, my guess is that, by the end of this year, at least 25 to 30% of all textile sorting companies in Europe will have been forced to shut up shop.

The main reason for the current crisis is that, over the last five years, the quality of the textiles that we collect has been deteriorating at a very rapid pace. In the past, the rule of thumb was that 50% of all original material from collections could be sold as second-hand clothing and the remainder used for wiping cloths or for recycling. In this way, sorting companies could 'subsidise' the recycling of the lower grades through its sales of the high-quality, second-hand clothing. Currently, however, only 40% of the original material can still be sold as clothing while 60% is low-grade material. Moreover, the quality of the still-wearable clothes has declined dramatically. This is because Western European economies are in a slump and, as a result, people are tending to buy cheaper clothes and shoes from Asian countries such as China, Cambodia and Vietnam.

At the same time, quality demands from African and Asian importers are on the increase such that second- and third-quality used clothing has become impossible to sell. In the past, customers in these regions used to buy second-hand clothing because it was cheaper and more fashionable, but this situation has now changed. Production of new clothes in countries with low labour costs - for example, China - has become more flexible and the resultant garments are very competitively priced. New clothing from these countries is now providing second-hand clothes with major competition.

Furthermore, ever-increasing transport and collection costs are applying downward pressure on sorters' margins. Considering that 60% of collected textiles is low-quality material which does not cover costs, sorting hardly makes sense any more for European operators. In addition, the sector

is suffering increasingly at the hands of so-called 'black sheep' - small, unlicensed sorting companies that pay staff cash in hand and avoid taxes. There are many of these today in Europe, most notably in Belgium but also in France, Germany, The Netherlands and the U.K.

Adding to this slump is the fact that many countries, especially in Eastern Europe, are imposing huge import taxes on textiles in an attempt to protect their own textiles industries. Russia, for instance, has introduced an import levy of US\$ 2 per kg on used textiles.

Absurd EU waste legislation is also working to the detriment of the sector. Material that is classified as waste in Europe can be freely exported from North America to Africa and Asia, giving our U.S. and Canadian exporters a decisive advantage over their European counterparts.

The combination of all the above factors has resulted in a desperate situation for Western European companies engaged in collecting and sorting textiles and shoes. To solve the structural crisis which the textile recycling industry in Europe is facing, I think the authorities within the EU member states, but also the EU authorities themselves, should impose a recycling levy on each kilo of new clothes sold. In Europe, this approach is already applied to, for instance, packaging, end-of-life vehicles, tyres and batteries.

The textile recycling industry has collected transported, sorted and recycled textiles for more than 50 years without asking for any subsidies in return. Now, in this time of structural crisis, our industry has a right to be paid for processing the non-saleable, low-quality textiles. In my opinion, this fee - which will have to be paid by the producer - should be set at between Eurocents 50 and Euro 1 per kg. I am asking for producer responsibility along the same lines as that applied cars, batteries and electrical and electronic equipment. Textile produc-

ers should also held responsible for the recycling of their products when they reach the end-of-life stage.

There is no time to lose. A Europe-wide recycling fee on clothes and shoes should be implemented quickly because the sector is struggling to keep its head above water. If no action is taken, the European textile recycling industry will not be able to survive and will eventually become extinct. We will shortly begin negotiations with environmental authorities in EU member states aimed at securing the earliest implementation of producer responsibility and of a recycling levy. In the meantime, I think it is only fair that EU member states pay compensation for the wage costs incurred by sorting companies. If this is not done, it will not be just a third of European textile recycling companies facing bankruptcy. It will be all of them. □



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