Brussels, 15 January 2025

To the Honourable
Ursula von der Leyen, President of the European Commission
Teresa Ribeira, Executive Vice-President for Clean, Just and Competitive Transition
Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy
Jessika Roswall, Commissioner for Environment, Water Resilience and a Competitive Circular Economy
Maroš Šefčovič, Commissioner for Trade and Economic Security

Subject: Export restrictions on recycled materials damage circular economy

As the Bureau of International Recycling (BIR), representing more than 1,000 direct corporate members and 35 national associations across 71 countries, collectively speaking for the interests of over 30,000 companies worldwide, we write to address recent proposals by primary steel and aluminium producers regarding restrictions on exports of recycled metals from the European Union.

Our organisation represents the businesses driving the green transition both in Europe and globally. Our members are at the front line of the circular economy, processing millions of tonnes of materials annually and delivering substantial environmental benefits through their daily operations. The recycling industry's contribution to reducing carbon emissions and preserving natural resources has been thoroughly documented through our comprehensive studies in 2008 and 2016, with additional research forthcoming.

We must emphasise that these materials are not mere "scrap" but valuable recycled steel and recycled aluminium that play a crucial role in global decarbonisation efforts.

The proposed export restrictions in Europe, a continent with a substantial surplus of recycled steel and aluminium, would create an unprecedented shock to the global recycling industry. Such measures would not only harm advanced European recycling companies that have built trusted partnerships worldwide but would also severely impact numerous countries that rely on European materials to fuel their growing sustainable production base.

Implementing export restrictions would have several negative consequences:

1. **Such protectionist measures would discourage investment in collection and recycling capacity** by artificially suppressing market prices. **This would ultimately reduce, not increase, circularity in Europe**.
2. **Creating captive markets** through trade barriers would **stifle innovation and development in the recycling sector, directly contradicting the EU's circular economy objectives.** This would create an **uneven playing field for recyclers, who are able to easily meet European demand**.
3. These measures would **unfairly disadvantage recycled materials compared to primary raw materials**, hampering climate action efforts globally. Iron ores and other alloys would continue to flow through borders without these unjustified barriers.

BIR (aisbl)
Avenue Franklin Roosevelt 24
1050 Brussels, Belgium

T. +32 2 627 57 70
F. +32 2 627 57 73

bir@bir.org
www.bir.org

Current calls for protectionism suggest a **fundamental unwillingness by certain European companies to pay fair market prices for recycled steel and aluminium**. While these materials are being purchased abroad, this is not due to any shortage, as **European recyclers consistently demonstrate their ability to meet domestic demand**. Rather than addressing pricing expectations through artificial market restrictions, we should focus on maintaining an environment where recyclers can operate sustainably and efficiently.

The suggestion that there is a "scrap leakage" problem in Europe mischaracterises the market reality. The European recycling industry successfully processes over 100 million tonnes of steel annually, with 80% utilised domestically by European steelmakers. The remaining exports serve markets that have invested heavily in low carbon technology for secondary production of steel and aluminium. **This is not a market failure but rather an efficient allocation of resources that supports global decarbonisation efforts**.

To strengthen Europe's circular economy, the European Commission could employ alternative measures to boost the demand of recycled materials:

- The implementation of **recycled content requirements across key sectors would establish reliable demand for recycled materials within the European market**. By setting clear targets for the use of recycled content in construction and automotive manufacturing, the Commission would create long-term market stability while advancing circular economy objectives.

- The strategic use of **public procurement represents a powerful tool for market development**. By incorporating strong preferences for recycled materials in public tenders, governments can demonstrate leadership in sustainable practices while creating substantial and predictable demand for recycled materials.

- **A comprehensive framework for evaluating and pricing environmental impacts** would create market conditions that better reflect the true cost of materials production. This approach would naturally incentivise recycled materials use without distorting international trade patterns.

The well-functioning global market for recycled materials reflects the growing recognition of these materials' value in sustainable production methods. **Supporting our global partners in achieving low-carbon solutions aligns with Europe's leadership role in addressing climate change**.

We remain committed to working constructively with the European Commission to develop policies that strengthen both European and global recycling industries. **The path forward lies not in restrictive trade measures but in fostering innovation, investment, and global cooperation in the circular economy**.

Yours sincerely,

Arnaud Brunet

BIR Director General

Susie Burrage OBE

BIR President

BIR – THE GLOBAL FEDERATION OF RECYCLING INDUSTRIES

BIR (aisbl)
Avenue Franklin Roosevelt 24
1050 Brussels, Belgium

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