RDF Industry Group Position Paper on Dutch Waste Import Tax

The RDF Industry Group opposes the taxes on foreign waste, as proposed by Dutch Government, on the grounds that it will have negative impacts on both the climate goals, recycling goals and the economy.

The Netherlands is a key off-taker of waste in an established supply chain, taking around 1.3 million tonnes of Refuse Derived Fuel (RDF) from the Republic of Ireland and United Kingdom alone each year. RDF is produced from residual waste by taking secondary resources such as metals from the waste for recycling and is then typically shredded, baled and wrapped for transport to the Netherlands. Imported waste constitutes around 25% of the feedstock for Dutch waste-to-energy plants, which power the heat networks upon which the Netherlands relies.

Increased CO_2 Emissions

Reductions in the amount of waste they take will prevent waste-to-energy plants operating at capacity, meaning that this energy will need to be sourced from elsewhere, most likely from burning fossil fuels with negative effects on CO_2 emissions. The tax will also make it economically unattractive to export waste to the Netherlands, potentially resulting in driving waste down the waste hierarchy, with waste being landfilled instead of being recovered.

Emissions from landfilled waste are greater and more harmful than from waste incinerated for energy, and the Group's research (performed by environmental consulting firm Eunomia) shows that the proposed taxes will therefore lead to a significant increase in overall emissions.

Although the aims of the tax are to reduce the Netherlands' own emissions, the effect will be that emissions of other countries will be higher than those of the Netherlands at present – our calculations suggest an additional 370,000 tonnes of CO_2e every year. This directly conflicts with the Dutch Government's position that there should not be any leakage of emissions elsewhere. By imposing such a tax, it forces other countries to landfill their waste, despite the Dutch Government having argued for a Europe-wide reduction of Greenhouse Gases by 2030.

Reduced Economic Case for Recycling

Where waste is landfilled in the Republic of Ireland and United Kingdom less secondary resources are likely to be extracted for recycling. Furthermore, sorting residues from recycling processes that are currently exported for waste-to-energy in the Netherlands will either incur the higher cost of the tax or may instead go to landfill. In both of these cases recycling will become more expensive, making recycling less economically attractive.

In the Netherlands, a likely impact of the import tax is that domestic waste-to-energy facilities will, over time – as the supply chain unravels – have insufficient waste which in turn is likely to result in a reduction in gate fees in order to compete for waste. Making residual waste treatment cheaper will serve to undermine the economics of recycling, which in turn will impact domestic recycling rates.

Conclusion

The RDF Industry Group has taken an evidence-based approach in considering the impacts the proposed tax will have. In consultations with its members it has identified areas of concern for the climate, the circular economy, and for the Dutch taxpayer. The Group believes that, given the effects that the tax will have, the Dutch Government should re-consider their position and revoke the tax proposals, above all to prevent emissions from increasing: precisely its goal. The RDF Industry Group is convinced that the European goals for CO_2-reduction, Circular Economy and landfill diversion can best be reached when countries work together to best utilise available recycling and waste-to-energy infrastructure instead of impeding this joint effort with import taxes.

The RDF Industry Group is comprised of 33 private sector members spanning the RDF supply chain, from major UK and European waste management companies through to businesses across the RDF logistics supply chain. It provides a platform for the industry to explore the opportunities and issues surrounding the export of RDF from the UK and Republic of Ireland to mainland Europe. The Group communicates its work to third parties including to governments and other key stakeholders.

Members are: AEB, HVC, Twence, Attero, Renewi, SUEZ, Indaver, N+P, Remondis, Associated British Ports, Biffa, Cawleys, Combineering, Country Style Recycling, CWM Environmental, DFDS, EFO, ENVA, FCC, Geminor, GP Shipping, McGrath, Panda, Powerday, Re-Gen, REKOM, RiverRidge, SCA, Seneca, Socotec, SWB, Totus, and Wilshee's.