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The Recyclers

Bulletin

Circular Economy Bulletin

January 2026

Dearest gentle readers,

While January appears determined never to end, it may simply be because the European Commission has chosen this very month to concentrate minds on one of the most contentious debates of our time: the possible introduction of trade restrictions on aluminium scrap exports in the name of ensuring “sufficient” scrap availability in the EU. A dramatic premise, indeed — though one that, as we have repeatedly underlined, is not supported by market reality.

And yet, the world of circularity does not revolve around alleged shortages alone. This month also saw us publish our roadmap on e-waste circularity, alongside our position on mandatory ecodesign criteria for textiles — because building a truly circular economy means creating demand, designing for recyclability, and making markets work.

*Speaking of textiles, allow us to introduce the newest addition to our household: **Ekaterina Stoyanova**, who joined Recycling Europe a few days ago to lead the work of our textiles branch.*

A promising new chapter, dear readers — and one we very much look forward to writing together.



Metals

Trade measures on ensuring aluminium scrap availability: The deadline to respond to the European Commission's Call for Evidence on EU measure for aluminium scrap shortage is 31 January 2026, and Recycling Europe has already submitted its feedback, which will soon become publicly available. While welcoming the Act's objective to support innovation, competitiveness, and sustainability, Recycling Europe strongly rejects the assumption of a structural aluminium scrap shortage and opposes any restrictive trade measures, warning they would harm recyclers, distort markets, undermine circular economy objectives, and benefit only a limited group of companies. Instead, Recycling Europe calls for policies that tackle root causes such as high energy costs and weak demand for recyclates, and supports a framework focused on boosting R&I and industrial uptake, increasing EU production capacity, improving circularity, and simplifying and accelerating procedures.



Critical Raw Materials

Advanced Materials Act: The European Commission's Call for Evidence and Public Consultation on the upcoming Advanced Materials Act closed on 13 January 2026. The initiative aims to support the innovation, deployment and uptake of advanced materials in the EU, with a framework focused on boosting R&I and industrial uptake, increasing EU production capacity and security of supply, improving circularity and sustainability through reuse, remanufacturing and recycling, and simplifying and accelerating administrative procedures.



E-waste

Recycling Europe has published its roadmap for strengthening and future-proofing circularity in Europe's e-waste sector, warning that while e-waste volumes are rising, only around 40% of WEEE is reported as recycled and collection remains far below the EU's 65% target. The roadmap calls for urgent action to boost collection, strengthen ecodesign

e-waste recycling sector.

[Discover our WEEE roadmap](#)



Net-Zero

Industrial Accelerator Act (IAA): The European Commission has again postponed the presentation of the Industrial Acceleration Regulation, now scheduled for 25 February instead of 29 January, according to the updated College of Commissioners' calendar. The cabinet of Vice-President Stéphane Séjourné cited the need to preserve a high level of ambition in internal work, arguing that ambition should take precedence over speed. The draft regulation, which includes measures to accelerate permitting for industrial projects, is part of the Clean Industry Pact. Initially announced for early 2025 and expected by the end of that year, it has already been delayed once to 2026.

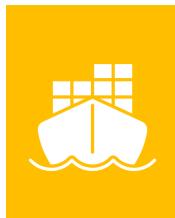
Free emission allowances: Cyprus, Denmark and Poland have warned that high energy prices and the planned phase-out of free emission allowances under the EU Emissions Trading System could seriously undermine the competitiveness of Europe's chemicals industry, Contexte reports. In a joint note, the three Council presidencies argue that the pace of free allowance reductions is not aligned with the availability of deep-decarbonisation technologies and could create uncertainty, especially if allowances are withdrawn faster than the Carbon Border Adjustment Mechanism can protect EU producers.



ELVs

IMCO members were briefed on 26 January 2026 on a provisional agreement reached in the final trilogue (11 December 2025) on the revision of the End-of-Life Vehicles and 3R Type-Approval Directives, though the text is not yet public. The compromise includes stricter transfer-of-ownership rules mainly for economic operators, mandatory recording of vehicle status after accidents, and a two-year postponement of the export ban on non-

clause and auditing for third-country plastics and a 20% cap on closed-loop targets, while the Commission will later propose targets for steel, aluminium and other critical raw materials following an impact assessment. The circularity strategy has been simplified, with fewer reporting obligations, manufacturer-level submission, a limited dual legal base and a 24-month application date. The file now awaits committee confirmation and EP plenary adoption (earliest March/April 2026), followed by Council endorsement expected in May/June 2026.



Waste Shipments

The European Commission has confirmed that the Digital Waste Shipment System ([DIWASS](#)) will be used for exchanging waste shipment documents and information from 21 May 2026, with national systems and company software able to interconnect via APIs supported by improved technical documentation available on the Commission's website. The Commission will not provide training to operators, as this will remain the responsibility of national competent authorities (including through helpdesks), while the Commission will only support technical issues related to the central system.

Recycling Europe, alongside waste managers and manufacturing industry groups has warned that the upcoming application of key provisions of the new EU Waste Shipment Regulation on 21 May 2026 could disrupt recycling flows if implemented without adjustments. While strongly supporting digitalisation and enforcement against illegal shipments, they highlight major technical and operational challenges linked to mandatory use of the DIWASS digital system and new Annex VII requirements. The organisations therefore call for a one-year transition period for DIWASS and for removing the obligation to submit Annex VII two working days before shipment for intra-EU green-listed waste. Without these changes, we argue that recycling value chains risk higher costs, operational disruptions, and weakened competitiveness versus virgin materials, undermining EU circular economy and Clean Industrial Deal objectives.

[Read our joint letter](#)



Packaging

The European Commission's Joint Research Centre has published a Technical Proposal for an EU Harmonised Waste Sorting Labelling System, marking a key step toward implementing common packaging waste sorting labels under the Packaging and Packaging Waste Regulation. Developed by the EU Policy Lab after more than three years of research, the proposal is based on large-scale citizen surveys and experiments, extensive stakeholder consultations, and participatory workshops across Member States, combining behavioural insights with design-for-policy methods. It aims to ensure labels that are intuitive, accessible, and adaptable to different national collection systems, helping citizens and industry sort waste correctly and consistently. The proposal will now inform an upcoming Implementing Act to ensure harmonised application of waste sorting labels across the EU.



Chemicals

EoW criteria for plastics and chemical recycling: During the consultation on the draft EU implementing act on common end-of-waste criteria for plastics, chemical recycling lobby groups such as Chemical Recycling Europe (CRE), Plastics Europe, Cefic and France Chimie, together with major companies including BASF, ExxonMobil, Eastman and Borealis, argued that the proposed criteria should not apply to chemical recycling and called for separate, dedicated EU criteria, with national rules remaining in place in the meantime. By contrast, mechanical recyclers Recycling Europe and Plastics Recyclers Europe, alongside NGOs such as the Rethink Plastics Alliance, also support excluding chemical processes like pyrolysis and gasification, but on the grounds that they should be considered energy recovery rather than recycling.



Textiles

Chinese online retailer Shein will reportedly appear before the European Parliament's IMCO Committee on 27 January amid growing concern over the impacts of ultra-fast-fashion business models, including floods of low-value parcels, enforcement of EU

strengthen the EU's reuse and textile recycling ecosystem, and ensure fair competition as the EU advances textiles legislation and extended producer responsibility schemes.



Ecodesign

Recycling Europe has published its position on the upcoming ecodesign delegated act for textiles under the ESPR, warning that without mandatory and credible recycled content requirements, circularity in the textile sector will fail to scale. Recycling Europe stresses that Europe's textile reuse and recycling industry is under severe pressure from oversupply of low-quality waste, weak demand for recycled fibres, funding gaps, and growing volumes from ultra-fast fashion, and calls for strong recycled content targets to create predictable demand, send clear market signals, and unlock investment in textile recycling.

[Read more in our position paper](#)



Plastics

The European Commission has proposed EU-wide end-of-waste criteria for plastics, a long-awaited step toward a genuine Single Market for recycled materials at a time when Europe's plastic recycling sector is under pressure from weak demand, rising costs, and tighter export restrictions from November 2026. Recycling Europe welcomes the proposal and, in its feedback, calls for clear definitions of recyclates and producers, a strong focus on output quality and safety with equal treatment of recycled and virgin plastics under chemicals law, a risk-based testing approach, a harmonised foreign-material threshold, workable quality management systems with a grace period for SMEs, effective enforcement including for imports, and swift, consistent implementation across Member States.

Beyond plastics, Recycling Europe stresses that harmonised end-of-waste criteria must be rapidly developed for other key materials such as textiles, construction and demolition waste, tyres, and paper under the upcoming Circular Economy Act. Without EU-wide

[Read more in our feedback](#)

Construction & Demolition

JRC Study on CDW: A new Joint Research Centre [study](#) on construction and demolition waste finds that, despite high reported recovery rates, the EU is still far from achieving real circularity, as most CDW is directed to backfilling or low-grade uses rather than reuse or high-quality recycling. The analysis shows this is mainly a market and policy failure—not a technology gap—with low economic value for many waste streams, fragmented rules, and weak demand for secondary materials holding back progress. The JRC calls for combined policy packages, including EPR schemes, pre-demolition audits and selective demolition, smarter charging systems, and stronger market support for secondary materials, stressing that circularity only works if recyclates are actually absorbed by the market.



Public Procurement

Recycling Europe has [published](#) a paper on Bridging circularity and decarbonisation through an ambitious EU Green Public Procurement (GPP) framework, setting out how to unlock the largely untapped potential of public procurement to drive demand for recycled and circular products. The paper calls for mandatory GPP measures, a life-cycle approach, a coherent regulatory architecture, fair competition conditions, and stronger enforcement, training, and capacity-building to make public procurement a true driver of the EU's climate and circular economy objectives.

[Read our paper](#)



Ship recycling

The European Commission has reportedly adopted new certificate formats on 19 January to document hazardous materials on board ships and confirm a vessel's readiness for recycling. The revised templates allow shipowners to comply with both the EU Ship Recycling Regulation and the Hong Kong Convention using a single set of certificates, helping reduce administrative burden while maintaining EU standards.

The certificates cover inventories of hazardous materials and declarations of readiness for recycling. While European shipowners represent about 30% of global fleet tonnage, many end-of-life vessels are dismantled outside the EU, often in regions where health and environmental risks remain high.



Other EU files

Cyprus Presidency: Cyprus has assumed the rotating Presidency of the Council of the EU as of 1 January 2026, placing competitiveness and the Single Market at the heart of its programme under the motto “An Autonomous Union – Open to the World.” Recycling Europe welcomes this focus, stressing that a truly integrated Single Market is essential for recycled materials to circulate freely, investments to scale up, and circular businesses to compete on equal footing, and looks forward to working with the Cyprus Presidency to strengthen recycled materials markets and support competitive, resilient circular value chains.

Environmental Omnibus: The European Parliament is facing an internal competence dispute over the EU Commission's late-2025 “environmental omnibus” package aimed at simplifying environmental legislation. In a 15 January letter, the Industry Committee (ITRE) requested full involvement alongside the Environment Committee (ENVI) on provisions related to industrial permits and amendments to the Industrial Emissions Directive, arguing these measures primarily affect industrial policy and competitiveness. ITRE claims its leadership would strengthen Parliament's negotiating position. Meanwhile, ENVI is asserting competence over environmental aspects of related files, including permits, environmental assessments, and amendments to water and nature legislation, even in dossiers formally assigned to ITRE. Negotiations are ongoing to reach an internal compromise without escalating the issue.

under the post-2028 multiannual budget. However, numerous other committees are preparing opinion reports to influence ITRE's negotiations. Renew MEP Stine Bosse will play a central role, drafting opinions for the Budget (BUDG) and Environment (ENVI) committees and acting as shadow rapporteur for Health (SANT). Additional opinion reports will be led by MEPs across political groups and committees, including Internal Market (IMCO), Economic and Monetary Affairs (ECON), Security and Defence (SEDE), Agriculture (AGRI), and Transport (TRAN), highlighting the broad institutional interest in shaping the Fund.

2040 climate target: On 19 January, the European Parliament's Environment Committee (ENVI) approved a trilogue agreement setting the EU's 2040 greenhouse gas emissions reduction target at 90% compared to 1990 levels, with 50 votes in favour and 26 against. The deal allows member states, from 2036, to use international carbon credits to meet the target, capped at 5% of the EU's 1990 net emissions. A pilot phase for a high-integrity international carbon credit market is planned for 2031–2035, with the Commission to define detailed rules. The agreement also delays the launch of the ETS2 carbon market for buildings and road transport from 2027 to 2028. The deal now awaits a plenary vote and Council approval, with the Parliament vote scheduled for 9–12 February.

EPRS Briefing on the CEA: The European Parliament's Research Service briefing on the Circular Economy Act finds that the EU remains highly dependent on imported critical raw materials, with extremely low recycling rates for lithium and rare earths, while a fragmented single market for recyclates and misaligned EPR schemes continue to undermine investment and scale. It stresses that recycling alone cannot deliver the transition as material consumption stays unsustainable and recycled materials often remain less competitive than virgin ones. The briefing calls for the CEA to create real market conditions for recovery, strengthen demand for high-quality recyclates, and ensure high environmental and health standards across circular value chains.

EVENTS



Highlights from IERC 2026: In Valencia, during a panel on Delivering the Circular Economy Act, Recycling Europe's WEEE Policy Advisor Isabelle Radovan joined a discussion showing strong alignment across industry on what is needed to improve WEEE recycling and boost circularity. Speakers agreed that much stronger cooperation between manufacturers and recyclers is essential, supported by ecodesign requirements that enable recycling, recycled content targets (notably for plastics) to create demand, clear and harmonised treatment standards with costs covered by EPR schemes, and system-level enablers such as a functioning EU single market for waste, green public procurement, and financial incentives like VAT reductions to make circular products competitive.

EU-FUNDED PROJECTS

SOPHIA Project Featured at IERC in Valencia

From January 21–23, the SOPHIA project was represented at the International Electronics Recycling and Reuse Conference (IERC) in Valencia. Project partners Recycling Europe, AIMPLAS, and Recyclia joined global leaders to discuss the future of circularity and electronics sustainability.

A highlight of the event was the project's presentation on the Tech and Innovation stage, which provided a platform to showcase SOPHIA's developments to a specialized audience of industry experts and stakeholders. IERC continues to be an essential venue for



Discover the SOPHIA Project

Other EU-Funded Projects: We are pleased to start the year with positive news: Recycling Europe's Horizon Europe proposal CLEANMAT, focused on aluminium recycling, has been successfully selected for funding. The project has a total budget of €7.3 million, with €213,850 allocated to Recycling Europe. Over a 36-month period (start date TBC), Recycling Europe will lead the work package on communication, dissemination, policy, standardisation and stakeholder engagement. Coordinated by Brunel University London, the project brings together 17 partners (including European Aluminium) and aims to significantly reduce hazardous chemicals and waste in the aluminium recycling value chain.

SPONSORED CONTENT



BVSE - Paper Recycling Division is inviting you to “Altpapiertag”:

28th International Recovered Paper Conference

Tuesday, 14th April 2026

Estrel Hotel, Berlin, Germany

Save the date and join us for the biggest event of the recovered paper industry in Europe! We look forward to inspiring speakers, engaging discussions and exceptional networking opportunities. A finalised agenda and registration details will follow soon [on this page](#).



8th International Circular Economy Meeting

The 8th International Circular Economy Meeting will take place on 5–6 February 2026 in Donostia / San Sebastián, bringing together international, national, and local experts to discuss how innovation and alliances can drive Europe’s transition “from critical to circular.” The two-day event will feature roundtables and exchanges among policymakers, businesses, researchers, and civil society to share knowledge and showcase new developments in circular economy processes. Get your ticket [here](#).



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