

War is not a business model: Europe's plastics recycling industry needs urgent structural solutions

Brussels, 23 June 2026 – The sharp increase in oil prices during the first quarter of 2026, driven by geopolitical tensions in the Middle East, temporarily altered the economics of the plastics market. As virgin plastics suddenly became more expensive, Europe's plastics recycling industry experienced short-term relief from years of [struggling](#) with weak demand for recycled plastics and unfair competition from low-cost virgin polymers. Yet, this temporary improvement cannot be mistaken for recovery. **The structural problems facing Europe's plastics recycling industry remain fully unresolved. The competitiveness of recycled plastics market continues to be structurally tied to fossil fuel prices, making the sector extremely vulnerable to future market shocks. The recycling industry cannot rely on geopolitical crises and oil price spikes to remain viable.** To address this, structural action is needed both at EU and national level.

Recent [figures](#)¹ reveal a dramatic slowdown in Europe's transition towards a circular plastics system. This is especially important as exports of plastic waste to non-OECD countries will be banned from 21 November 2026². Without strong commitment for [Made in Europe](#) recycled plastics and sufficient investment across the entire European circular plastics value chain, including collection, sorting and recycling infrastructure, the EU risks a sharp increase in landfilling and incineration once export outlets close. The costs of plastic waste management will also dramatically increase for local authorities, waste owners and EPR. **Strengthening demand for European recycled plastics must become an immediate political priority. EU and national policymakers must urgently establish the structural conditions needed to ensure a strong and resilient European plastics recycling industry.**

While the European Commission (EC) correctly acknowledged in its 2025 [Winter Package](#) that “*urgent action is needed at EU and Member State level to facilitate recycling and the uptake of recycled materials*”, the measures proposed so far remain insufficient. Without immediate intervention, Europe risks further losing strategic recycling capacity (after having already [lost 1 million tonnes of plastic recycling capacity](#) between 2023 and 2025) before recycled content obligations under EU legislation fully enter into force.

In response, Recycling Europe Plastics puts forward a set of urgent policy measures³ that needs to be consistently implemented and enforced:

¹ Growth in mechanically recycled post-consumer plastics production has collapsed from +40% between 2020 and 2022 to just +3.9% between 2022 and 2024.

² An increasing share of Europe's plastic waste is already being recycled outside Europe, reaching 12.4% in 2024. (*PlasticsEurope (May 2026), Report: “The Circular Economy for Plastics, A European Analysis”*)

³ The policy measures are further developed in Recycling Europe's position paper: [A rescue plan for Europe's plastics recycling crisis: EU Recyclers' recommendations - Recycling Europe](#)

1. Drive demand for Made in Europe recycled plastics via:
 - 1.1. Implementing mandatory recycled content rules with European preference
 - 1.2. Designing strong and enforced mirror clauses for imported materials & goods
 - 1.3. Generalising eco-modulation of Extended Producer Responsibility (EPR) fees
 - 1.4. Strengthening Green Public Procurement (GPP) requirements
2. Tackle rising operational and energy costs
3. Urgently adopt EU End-of-Waste (EoW) criteria for plastics
4. Introduce Green VAT measures on products made of recycled plastics
5. Simplify and accelerate permitting procedures for recycling projects

