

**Department of Community Services  
Environment Division  
Briefing Note: Recycling markets**

**Background**

Due to the economic situation the market for sales of recyclable materials – plastics, card, paper and metals (cans) is very poor. Attached is statement provided by WRAP (Waste Resource Action Programme – a government led organisation) who have gathered information on the change in market prices.

Please note that the attached figures are ‘ex-works’ (i.e. baled and sorted material delivered to door of reprocessor).

The price changes for HBC agreements over the last 12 months are as follows and are quoted on a per tonne basis. Please note these prices reflect that loose material not baled (and unsorted in the case of metals) plus transport charges apply – hence why the rates are lower than the figures quoted on the WRAP statement (which is ex-works).

**Prices – HBC**

<b>Material</b>	<b>Nov 2008</b>	<b>Nov 2007</b>	<b>% Change</b>
<b>News/Magazines</b>	<b>£10</b>	<b>£20</b>	<b>-50%</b>
<b>News/Magazines (supermarket sites)</b>	<b>£5</b>	<b>£15</b>	<b>-33%</b>
<b>Metals (Mixed Cans, Aerosols, Foil)</b>	<b>£0</b>	<b>£33</b>	<b>-100%</b>
<b>Glass:</b>			
<b>Clear</b>	<b>£29</b>	<b>£29</b>	<b>0%</b>
<b>Amber</b>	<b>£24</b>	<b>£24</b>	<b>0%</b>
<b>Green/Mixed</b>	<b>£25</b>	<b>£12.50 (£25 from March 2008)</b>	<b>0%</b>

**Price Changes for other materials (under consideration for collection):**

Plastic = £110 per tonne a year ago. Now = £30-70 per tonne. Bulked/baled and sorted

Cardboard = £60 per tonne a year ago. Now = £5-15 per tonne. Bulked/baled - not loose.

**Attachment:** WRAP statement on Recycling Markets dated 20 November 2008

Briefing Note prepared by Debi Rowe, Environment Division, Dept Community Services

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## WRAP update on market conditions

20 November 2008

### 1. Current prices

	November 2008	September 2008	Change (mid-point)	% change
News and PAMs	45 - 65	90-115	-47.5	-46%
OCC	15 - 25	65-75	-50	-71%
Mixed papers	0 - 10	65-75	-65	-93%
Clear PET bottles	80 - 90	160-200	-95	-53%
HDPE bottles	50 - 90	220-250	-165	-70%
Mixed bottles	30 - 50	160-200	-140	-78%
Aluminium cans	400 - 450	800-900	-425	-50%
Steel cans	0 - 10	110-145	-122.5	-96%
Clear glass	27 - 33	30-35	-2.5	-8%

Source: Materials Pricing Report (November prices gathered in w/c 10 Nov). To subscribe, please visit [www.wrap.org.uk/mpr](http://www.wrap.org.uk/mpr)

### 2. Why are materials prices falling?

There are three main reasons:

- Slowing economic growth which will reduce demand for some materials eg steel for use in construction projects and cardboard packaging around consumer goods;
- An unwinding of prices that had become over-inflated earlier in the year;
- Uncertainty about the outlook for the economy and markets.

Other financial markets and commodity markets eg oil, iron ore and aluminium have also fallen sharply and been extremely volatile over this period.

### 3. General features of the market

The affected materials are the higher-value, international-traded commodities: metals, paper and plastics.

Lower value materials (aggregates, organics, glass and wood) and textiles seem to be relatively unaffected.

Domestic demand for recovered materials is largely unchanged (with the possible exception of steel). But export demand – primarily from China – has fallen.

Low quality materials seem to be more affected than high quality materials.

The timescales are impossible to predict. The industry consensus seems to be that markets are likely to remain volatile until early 2009. Prices may remain depressed for some time and, when they recover, are unlikely to return to their mid 2008 peaks.

However, the long-term outlook for the markets (eg to 2020) remain strong.

#### **4. Local authority views (57 responses between 4 Nov – 13 Nov)**

- 22% of LAs reported that they were not yet affected by price changes.
- Those affected reported falls in prices for metal (aluminium, steel and foil), plastic bottles, cardboard and paper. Some reported zero prices or that they were being charged to have material taken away. Prices for glass and textiles appear to be steady.
- Only two reported that reprocessors had refused to take materials.