



Exclusive: EA investigates illegal import of plastic waste from the Netherlands as industry questions recycling figures

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The Environment Agency (EA) has confirmed it is investigating abuses of the packaging recovery note (PRN) system after the industry raised fears that monthly packaging recycling data is being artificially inflated by illegal activity.

A number of operators are understood to be illegally importing plastic waste from the Netherlands, which is being repossessed in the UK or sent for export once again in order to claim the PRN, which can then be sold to producers. This is inflating perceived recycling levels and distorting the plastic recycling market.

The EA told ENDS it “acts upon intelligence received concerning reported illegal activity and is aware of a number of reports regarding imported plastics from the Netherlands”.

There are also widespread concerns over the quality of some plastic waste exports, particularly to Turkey, which the EA says it is investigating.

There have been long-held concerns that the PRN system is open to abuse. In 2018 the NAO said the system had “subsidised waste exports to other parts of the world without adequate checks to ensure it is recycled”.

The latest concerns came to light after sources told ENDS they did not believe the latest packaging figures for plastic.

Under the PRN regime, companies handling packaging must meet their obligations to recycle by buying packaging recovery notes from UK recycling companies or from companies that export waste for recycling abroad.

This month, the plastics PRN price took a dive from around the £230 mark in May to as low as just £130, following monthly EA packaging data which suggests recycling targets are being met. But experts say the data is likely inflated.

One recycler told ENDS the data “is hugely questionable” and that “the illegitimate use of PRNs, is distorting the market and leaving our industry and the future of UK recycling at risk”.

Phil Conran, director of consultancy 360 Environmental, said: “The latest monthly data has caused some incredulity...given the well-documented problems with demand across Europe for recycled material due to the widespread impact of Covid and fall in oil price.

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“It is clear that the PRN has provided a much-needed subsidy to support the recycling of UK plastic waste, but how much of it is legal and how much will be sustainable as PRN prices fall remains to be seen,” he added.

Angus Macpherson, managing director of the Environment Exchange a PRN marketplace provider, said there had been more packaging export recovery notes (PERNs) being generated “than anyone was expecting”, according to

the EA figures and that these diverged by as much as 30% in the first quarter of this year with HMRC export data on plastic waste.

“There are allegations of fraud...with material being imported to export and double counting. The greatest divergence is in exports to the European mainland and Eastern Europe via Germany and the Netherlands in particular,” he added.

The EA said it could not comment on packaging targets because it is only halfway through the current compliance year. However, it said data was currently showing an increase in exported plastic packaging, particularly to Turkey, which has a poor domestic recycling record.

An EA spokesperson said: “We have observed an increase in exports to Turkey in recent months and are working to quantify this where possible in order to identify any Turkish sites of concern. This information will support conversations with the Turkish authorities.”

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