

Response to the European Commission consultation on the draft list of non-OECD countries under Regulation (EU) 2024/1157

Recycled metals are a circular economy success story – export restrictions would reduce recycling and jeopardise investments

Key messages

- The Commission should reassess its country-specific conclusions concerning metal waste and ensure that export restrictions are based on actual environmental risks and treatment conditions in recipient countries. Access to international markets should not be unnecessarily restricted for recycled metals that can be processed in an environmentally sound manner.
- Metal recycling makes a significant contribution to Europe's industrial competitiveness, security of supply and employment. The European recycling sector employs approximately 300,000 people, predominantly in SMEs, and supplies high-quality secondary raw materials to both European industry and international markets.
- Increasing demand for recycled metals in European products is the most effective way to strengthen the circular economy and reduce dependence on virgin raw materials. Mandatory recycled-content requirements would help create demand, encourage investment and strengthen the internal market.
- Recycled metals are a success story of the circular economy. International markets enable materials to be used where there is demand, while market-based prices support collection and recycling. Export restrictions could reduce recycling rates, jeopardise investment and lead to job losses. Rather than restricting functioning material flows, the EU should seek to strengthen markets for other secondary raw materials as well.

Global flows of recycled metals are a circular economy success story

The European Commission's draft list of authorised destination countries under the new Waste Shipment Regulation, published on 18 September 2026, threatens to close major international markets to European recycled metals. Under the new Regulation, exports of non-hazardous waste to non-OECD countries will, as a general rule, be prohibited from 21 May 2027. Exports may continue only to those countries, and for those waste streams, specifically authorised by the Commission. To qualify, a recipient country must have applied for authorisation to receive the relevant waste streams and demonstrated its capacity to manage them in an environmentally sound manner.

The recycled metals concerned are classified under EU waste legislation as non-hazardous, green-listed waste. In practice, these are recyclable materials suitable for use as industrial raw materials.

The Commission received applications from 32 countries. More than 20 countries applied for authorisation to receive metal waste from the EU, but the Commission's draft would permit exports to only five of them. As a result, major existing export markets, particularly in Asia, risk being closed to European recycled metals.

The Commission justifies its particular scrutiny of metal waste streams by referring, among other things, to potentially harmful properties of metals and environmental risks associated with metallurgical treatment processes. It is reasonable to ensure that materials exported from the EU are managed in an environmentally sound manner. However, this objective should not be pursued by restricting exports of recyclable materials that can be safely and efficiently used as raw materials in international markets.

More broadly, the export restrictions are based on a flawed assessment that treats functioning global circular material flows as raw materials 'leaking' out of Europe. The EU's net exports of recycled steel and aluminium reflect insufficient demand, not a shortage of raw materials. Rather than restricting exports, the EU should address the underlying causes of European industry's competitiveness challenges.

Procedural safeguards and the legal basis for the country assessments

The assessment of applications for non-hazardous metal waste should be transparent, evidence-based and consistent with the criteria and procedures in Regulation (EU) 2024/1157. Article 43 provides for an opportunity for applicant countries to submit supplementary information where the Commission considers an application incomplete or insufficient. The Commission's supporting assessment identifies shortcomings in the information provided by several applicant countries, particularly concerning emission controls for metal treatment. It should clarify whether those countries were given the opportunity to remedy these shortcomings in accordance with Article 43 before the relevant waste streams were excluded from the draft list. Where this has not occurred, the assessment should be completed before the list is finalised.

The Commission should also explain the grounds for subjecting non-hazardous ferrous and non-ferrous metal waste to particular scrutiny when other non-hazardous waste streams have been accepted for some of the same destinations. Different treatment may be justified by demonstrated environmental risks, but it must be based on objective, waste-stream-specific evidence and respect the principles of equal treatment and proportionality. The classification of the metals concerned as non-hazardous, green-listed waste must be properly reflected in that assessment; this does not remove the need to verify environmentally sound treatment at the destination.

Finally, the authorisation of waste exports under the Waste Shipment Regulation must be determined by the environmental criteria laid down in that Regulation. Any industrial policy objective of increasing the availability or lowering the price of recycled metals for EU manufacturers should be pursued through appropriate demand-side and competitiveness

measures, rather than by restricting access to export markets through the waste-shipment authorisation process.

Kierrätysteollisuus ry therefore requests that the Commission reconsider the proposed exclusions of non-OECD destinations for ferrous and non-ferrous metal waste, provide clear country- and waste-stream-specific reasons for its conclusions, and ensure that all applicable procedural safeguards have been observed before adopting the final list.

The recycling industry plays a key role in Europe's circular economy and green transition

The recycling industry is central to Europe's green transition, industrial value chains and security of supply. Recycled metals, including steel, aluminium, copper and numerous critical and strategic metals, provide an essential raw material base for European industry. They also enable significant emissions reductions compared with the use of virgin raw materials.

Metal recycling strengthens Europe's security of supply and industrial competitiveness by providing high-quality secondary raw materials to industry. According to a study commissioned by Kierrätysteollisuus ry, demand for recycled materials will continue to grow, driven by the green transition, electrification and renewable energy investments. Open and well-functioning markets are essential to meeting this growing demand competitively and sustainably.

Europe's recycling and waste management sector directly employs approximately 300,000 people in local green jobs, with thousands of micro, small and medium-sized enterprises operating in the sector. The employment impact of the circular economy as a whole is even greater: more than four million people worked in various circular economy activities across the EU in 2021, for example. In Finland, the recycling sector supports several thousand jobs throughout the country in different stages of processing and logistics, contributing to local labour markets as well as industrial competitiveness.

Recycled metals are generated continuously as products, buildings and infrastructure reach the end of their service lives. They cannot be stored indefinitely without losing value. Their efficient use therefore requires functioning markets and flexible material flows, including across EU borders. Recycled metals exemplify a functioning global circular economy: the materials have value, and international markets efficiently direct them back into production as raw materials. The EU should seek to strengthen comparable markets for other secondary raw materials rather than weaken functioning metal markets.

Metal recycling significantly reduces greenhouse gas emissions compared with primary production. For example, one tonne of recycled steel avoids 1.6 tonnes of carbon dioxide emissions compared with producing an equivalent amount of steel from virgin raw materials. The climate benefits are even greater for stainless steel and many other metals. These benefits arise regardless of where in the world the recycled metals are used. Open and functioning markets are therefore essential to the success of the circular economy and the green transition.

Exports and imports of recycled metals balance supply and demand

Recycled metals comprise dozens of different grades, alloys and purity classes, as well as materials at different stages of processing. These materials differ in their technical applications, processing and treatment requirements, markets and price levels. Some are directly suitable for high-quality, demanding applications in Europe, while others are suitable only for more limited or lower-value applications for which there is insufficient demand in the EU.

Most metal collected and recycled in Europe is used within the EU. Exports mainly concern material streams for which European demand is insufficient. Exports are therefore not a sign of a failing system; rather, they enable these materials to be used efficiently worldwide.

In 2024, the EU exported approximately 16.3 million tonnes of recycled steel and imported around 4.7 million tonnes. Recycled steel flows in both directions, with net exports of approximately 11.6 million tonnes. The EU imports particularly high-quality recycled materials suitable for demanding applications, with stainless steel being a good example. Possible trade retaliation could hamper imports of these secondary raw materials into the EU.

EU steel production has declined significantly over the past decade. At the same time, the use of recycled steel by the European steel industry has also decreased. Net exports have provided a mechanism for recycled steel to be used elsewhere in the world rather than remain unused.

Aggregate statistical analyses that fail to distinguish between material grades, or that use selectively chosen reference years, give a misleading picture of how markets function and may lead to misguided policy decisions.

Recycled aluminium as an example of a functioning value chain

The claim that exports leave European operators without sufficient recycled aluminium is incorrect. The aluminium industry's profitability and competitiveness problems stem from other factors, including energy prices. It is therefore important to address the root causes rather than shift responsibility for profitability problems onto the recycling industry or other parts of the value chain. Aluminium recycling in Finland is carried out particularly by SMEs. It should also be recognised that logistics add significant costs for recycling companies.

Recycled aluminium can broadly be divided into two categories:

1. Clean aluminium, used to supplement primary production. Purity requirements are high, and demand is increasing with electrification. This material circulates efficiently within Europe.
2. Alloyed aluminium, which enters the recycling stream in large quantities, particularly from end-of-life internal combustion engine vehicles. Demand for alloyed aluminium in the EU is lower than supply, which is why some of it is exported. There are several grades of alloyed aluminium, each suitable for different applications. Without exports, the recycling

rate for this category could fall significantly.

Export restrictions would reduce recycling and slow the green transition

In the short term, export restrictions would create an oversupply of recycled metals in the EU. This would initially push prices down and undermine the profitability of recycling companies. A decline in the market value of secondary raw materials would affect the entire value chain, including the viability of collection. As a result, planned investments and even projects already under way could be delayed or cancelled altogether. Slower modernisation of the sector could reduce recycling capacity in Europe and decrease the amount of material recycled. This would undermine precisely the value chain that the EU is simultaneously seeking to strengthen through other policy measures.

As with other materials and products, the quality of recycled materials and the efficiency of recycling processes must be continuously improved. One of the key future challenges for metal recycling concerns material quality. Improving quality requires investment in technology and process development. Weaker price signals reduce the profitability of such investments and slow the sector's development in Europe. As a result, circular economy innovation and investment risk moving outside the EU.

Restrictions on metal exports also raise legal and political concerns. They could trigger retaliatory measures, restrict market access and undermine the EU's credibility as a defender of rules-based trade. They also divert attention from genuine structural problems, such as energy prices, the predictability of the investment environment and demand-side policy instruments.

If export restrictions reduce the global use of recycled metals, they may increase the use of virgin raw materials and raise emissions worldwide. This would be inconsistent with the EU's climate objectives.

Measures to increase demand for recycled metals in the EU internal market

If the EU wants a larger share of recycled metals to remain in Europe, it should primarily increase demand rather than restrict exports. Key measures include product-specific mandatory recycled-content requirements, public procurement criteria and standardisation, which can help establish and expand markets. At the same time, the competitiveness of European industry must be strengthened by ensuring affordable energy, a predictable regulatory environment and investment in improving recycled-material quality and processing technologies.

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