



“Clean, Clever and Competitive”

Why the Recycling of Waste Oils Must Remain an EU Policy Priority

On 13 February 2007, the European Parliament voted at 1st reading to reinstate the need for a preference for waste oils regeneration in the proposed revision of the Waste Framework Directive. GEIR- *The re-refining industry section of the Independent Union of the European Lubricants Industry (UEIL)*- strongly supports this position, and calls on EU decision-makers to continue to support the need for a preference for waste oil regeneration at second reading.

GEIR believes that waste oil regeneration should remain a priority of the EU waste management policy for the following reasons:

1. Recycled Waste Oil – A Valuable European Resource

At a time when the EU has set out an agenda to make itself the most competitive economy in the world, it is confronted with the growing concern of security of energy supply and the increasing risk that the insatiable demand for energy from countries like China and India and the spiralling cost of oil will undermine this ambition. In January 2007, the European Commission proposed a new energy policy¹ for more secure, competitive and sustainable energy in the EU, insisting that a common policy is the most effective way to tackle today's energy and environmental challenges.

⇒ By recycling waste oils back into valuable base oils across the EU, the waste oil recycling industry can play an important role in conserving European oil resources and ensuring a sufficient supply of base oil to underpin future European growth.

2. Supporting European Industrial Leadership

The European waste oil recycling industry has established itself as a global leader, with an approximate total turnover of € 200-250 million/year, employing 1000-1200 people in re-refining and 2000-2500 people in the collection of waste oil. The industry has invested in cutting edge technology and developed premium quality products which rival, if not outperform, primary produced lubricants. The investments made by the industry (€250 million) have been underpinned by the priority given to waste oils recycling at the European level.

⇒ Without the priority given to waste oil recycling, the European industry's position as a global leader will be under threat and the long term viability of the European waste oil recycling industry will be cast into doubt, with primary lubricants increasingly refined outside the EU.

3. Protecting Europe's Environment

The recycling of waste oils makes an important environmental contribution, alleviating the significant burden of the primary production of lubricants. It represents the largest and most environmentally friendly recovery option, (ensuring the proper collection of waste oils as opposed to incineration which attracts the unwanted mixing of wastes) as was illustrated in the European Commission's LIFE and waste recycling report published in November 2007². Modern re-refined products also fulfil the needs of motor vehicle

¹ The Communication from the Commission to the European Council and the European Parliament - An energy policy for Europe (Com 2007) 1-final) was endorsed by the Council of Ministers in March 2007.

² The report entitled LIFE and waste recycling- innovating waste management options in Europe- presents case studies of successful projects undertaken under the LIFE programme of the European commission, including the improvement of management of waste oils with the establishment of effective collection systems and innovative regeneration methods in Greece and Germany.



OEMs, which need high quality products with low sulphur, aromatic and phosphorus content in accordance with the Kyoto Protocol.

⇒ With the evolutions in the formulation of lubricants, the environmental benefit of waste oil recycling is likely to increase even further in the future. The significant reduction in environmental impacts associated with waste oil regeneration as compared to the primary production of lubricants and to incineration as an alternative recovery option, will be lost unless the EU priority for recycling is maintained.

4. Contributing to a Competitive Europe

The waste oil recycling industry is an important part of European independent lubricant production, representing one-third in volume of the total European market for lubricants (1.5/2 million tonnes of lubricants). The contribution of recycled oils to independent production is essential in the creation of competition with the major lubricant producers but also in the survival of mid-sized independent companies relying on a second source of base oil.

In view of the EU growth and employment priorities and the EU Competitiveness and Innovation Programme (2007-2013)³, cutting edge environmental technologies such as those used in European waste oil recycling, have a key role to play in promoting jobs and wealth in Europe and their development should be encouraged.

⇒ By changing EU waste oil policy, the significant economic potential of the waste oil recycling industry, in terms of growth and employment, will never be realised. In addition competition in the lubricant industry, already heavily dominated by the major producers, will be further undermined.

In view of the above, GEIR calls on you to support the European Parliament's proposal to maintain the preference given to waste oil recycling agreed at 1st reading; Waste oil recycling has a key role to play in securing a competitive and sustainable Europe. In order to encourage investment in regeneration, realise the economic and environmental potential of this technology and secure a future for this industry in Europe, it must remain an EU priority. Waste oil recycling is "Clean, Clever and Competitive".

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³ Decision taken on 26 October 2006, following a Commission proposal to establish a Competitiveness and Innovation Programme (2007-2013)