

Explainer

Why are plastics recycling plants closing in the UK?

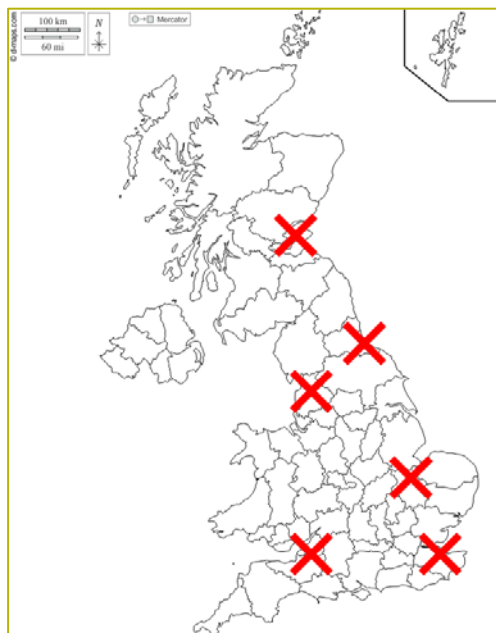
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Despite significant political attention and public support for action on plastic, the plastics recycling industry is in steep decline in the UK.

A [Guardian investigation](#) has found that, in the past two years, 21 plastic recycling and processing factories across the UK have shut down. The map below gives a sense of the geographical spread of these losses, with six of the prominent closures indicated.

The UK plastics recycling industry has the potential to be worth £2 billion and could support 5,000 jobs around the country. It is a crucial element of the government’s ambitions to “end the throwaway society”, as part of its upcoming Circular Economy Strategy. And the UK is generating a huge amount of used plastic that could be recycled. So what is going wrong?

Selected plastics recycling plant closures 2023-5 ¹



What makes a thriving recycling industry?

1. Demand

- The cost of virgin (new) plastic needs to be comparable, or ideally more expensive, than recycled plastic for it to be competitive. Cheap and abundant virgin plastic undercuts demand.
- Policy should set a clear pathway to increase demand for recycled plastic over time to encourage investment.

2. Supply:

- Recycling plants need a predictable supply of high quality feedstock (ie used plastics) to recycle.
- Plastic recycling is energy intensive, so electricity costs must be affordable.

What's the issue with demand?

The UK's plastics market is being flooded with cheap imports, from places including China, Africa and the Middle East, in a situation likely exacerbated [by US tariffs](#) in some cases, which has redirected material to Europe at significantly cut prices.

For the commonly used plastic PET, this has contributed to virgin material being cheaper than food grade recycled material [by \\$750-800 per tonne](#) in Europe earlier this year. The company [Vanden](#) cited the difficulties of competing with cheap virgin plastic when closing its Cambridgeshire recycling plant.

One of the UK's main levers for increasing demand for recycled is the Plastic Packaging Tax. This requires 30 per cent recycled content in plastic manufactured in the UK, but this is irrespective of origin so offers only weak support to domestic recyclers. The tax is set at £223.69 per tonne, which reduces but does not close the price gap between virgin and recycled plastic.

There is currently no pathway to increase recycled content requirements or accompanying mechanisms for increasing domestically sourced material. There are also concerns that many of the claims that material meets the recycled content requirements [are unverifiable](#), particularly in the case of imported material, leading to calls for greater enforcement and independent auditing. Viridor cited the [absence](#) of planned legislation to lift UK recycling rates when closing its Avonmouth facility.

What's the issue with supply?

UK recycling plants have struggled to access enough good quality feedstock to function at scale. Unlike in many European countries, household packaging recycling is often collected mixed together in the UK, which has led to an increasing trend of contamination; the [latest figures](#), from 2019, indicate that 16.6 per cent of material sorting facilities dealt with was contaminated. This leads to a large quantity being rejected and makes recycling plants less financially viable.

The delay to the implementation of the Deposit Return Scheme, which would provide recyclers of plastic bottles with a pure stream of material that can be easily recycled will not have helped. The scheme, common in Europe and first [promised](#) in the UK in 2017, has been delayed several times and is now due to be rolled out in 2027.

The UK system has also been criticised by the [National Audit Office](#) for encouraging the export of used plastic over domestic recycling. UK plastic waste exports [rose](#) in 2024 to around 598,000 tonnes a year. Waste is frequently exported to developing countries that cannot handle it safely. Earlier this year an investigation found that [200 young people](#) had died in Turkey's recycling industry. The EU is introducing a total [ban](#) on exporting plastic waste to non-OECD countries up to 2029 and strict limits on plastic exports to other OECD countries.

In the UK, meanwhile, export is effectively incentivised through a system whereby UK producers have to buy Packaging Recovery Notes (PRNs) or Packaging Export Recovery Notes (PERNs) based on how much packaging they put on the market. PRNs are issued by recycling facilities when material is reprocessed in the UK. But PERNs are issued at the point of export from the UK, before any material is reprocessed and with no guarantee it will be recycled. This leads to PERNs overestimating recycling rates and costing producers less than domestic recycling. Biffa argued, in its [statement](#) when it closed its Sunderland plant, that exports of unprocessed material “undermine the UK's domestic recycling.”

How can the market be improved?

Beyond the soft power it can exert in the [stalled](#) UN efforts to reach a global treaty to end plastic pollution, the UK has little control over the global virgin plastics market. However, policies already in development and additional levers the UK should pull could avoid any further shrinkage and set it on a path to growth in this sector:

1. Increase the [Plastic Packaging Tax](#) rate and recycled content requirement over time, while also improving enforcement and auditing.
2. Limit or ban exports of plastic waste, as is happening in the EU.
3. Reform the PRN/PERN system, for example by requiring a [fixed share](#) of packaging obligations to be met domestically vs exports.

4. Ensure there are no further delays to implementing the Deposit Return Scheme, due to come in 2027, which should increase the supply of the high quality feedstock the industry needs.
5. Set out a clear [trajectory](#) for infrastructure to reduce, reuse and recycle plastic content in the UK through the Circular Economy Strategy roadmap on plastics.

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Endnotes

¹ Closed plants shown on the map are: Viridor Polymers Skelmersdale; Yes Recycling Fife, Viridor Polymer Avonmouth; Biffa Polymers Washington; Viridor Rochester PRF; Vanden Recycling Whittlesey.