

# WasteView | Newsletter

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# WtE Tax? Let me tell you how it will be...



In his latest editorial, AcuComm's Chief Data Analyst, Andy Crofts, highlights what could happen following a potential introduction of tax on Waste-to-Energy in the UK.

A tax on waste incineration may soon be coming to the UK. What's all that about? The landfill tax has had great success in reducing landfill volumes, and there has been a well-documented rise in WtE incineration, both in terms of volume and monetary investment. It seems that the government now thinks this has gone too far, and corrective measures are needed to boost, not landfill, but greater and greener recycling methods.

The subject, unusually, reached Prime Minister's questions in the House of Commons this month. West Wiltshire MP, Dr Andrew Murchison, [asked](#) 'Will the Government strengthen their bid to host the 2020 United Nations climate change conference by putting a moratorium on new incinerator, gasification and pyrolysis applications, including the one in Westbury [see [here](#) for AcuComm's coverage of this project], in my constituency?'. To which the Prime Minister replied 'We want to maximise the amount of waste that is sent to recycling rather than to incineration and landfill. Waste plants continue to play an important role in reducing the amount of rubbish that is sent to landfill, and we welcome the efforts to drive it down further. But if wider policies do not deliver our waste ambitions in the future—including those higher recycling rates—we will consider introducing a tax on the incineration of waste'.

The PM's reply was taken more or less directly from the report outlined below. What was interesting about the question was that it lumped newer technologies such as gasification and pyrolysis together with traditional WtE facilities. All much the same in the eyes of campaigners, one suspects.

There are no details or timetables, and the composition of the UK government in a few months from now is anyone's guess. But a tax on waste incineration has been around Whitehall for a while now. In December 2018, the government issued a strategy document, '[Our Waste, Our Resources, A Strategy For England](#)'. This deals with all aspects of waste management, but one area highlighted is better efficiency in the waste incineration sector. The principal government concern seems to be to make greater use of CHP (combined heat and power) than at present; most current facilities contribute electricity only. But there also seems to be a concern that there is now too much WtE incineration and too little recycling, and its use may need to be curtailed through tax, as has been the case with landfill:

'Should wider policies not deliver the Government's waste ambitions in the long-term, **we will consider the introduction** of a tax on the incineration of waste. Incineration currently plays a significant role in waste management in the UK, and the Government expects this to continue. However, Budget 2018 set out the Government's long term ambition to

# WtE Tax? Let me tell you how it will be...

maximise the amount of waste sent to recycling instead of incineration and landfill. Any consideration would take into account how such a tax would work alongside Landfill Tax and the possible impacts on local authorities.' (page 79, editor's bold)

A tax might also, of course, incentivise CHP over current investment patterns, although the government does not explicitly say this. The idea of an incineration tax means different things to different people, depending on the desired outcome. Neil Grundon, of Grundon Waste Management, has a slightly different take. Writing on the [CIWM web site in November 2018](#), he argued that the landfill tax has led to an increase in RDF exports rather than investment in domestic waste treatment capacity. A tax on RDF exports, rather than incineration itself, would therefore discourage these exports and provide cash for domestic investment in new, greener, treatment methods. Large incinerators would be taxed, to encourage the development of smaller, locally-sustainable facilities.

There is certainly a trend towards the construction of large – maybe too large – WtE facilities, which promise better economies of scale and greater return on investment. As we saw recently with [Tata's planned Cheshire facility](#), one objection raised is the inability of such large sites to survive just using local waste, whether in RDF or unprocessed form.

The export tax idea raises a couple of interesting issues, however. Firstly, it should be noted that this isn't remotely what the government appears minded to introduce. Secondly, it regards waste and, by extension, RDF as a problem to be dealt with, rather than a commodity with value. RDF exports are presumably profitable for the companies exporting them, and a worthwhile purchase for the overseas receivers. While an export tax would provide a clear benefit for local operators such as Grundon, it's hard to see why any government should be keen to explicitly suppress a profitable export trade in this way.

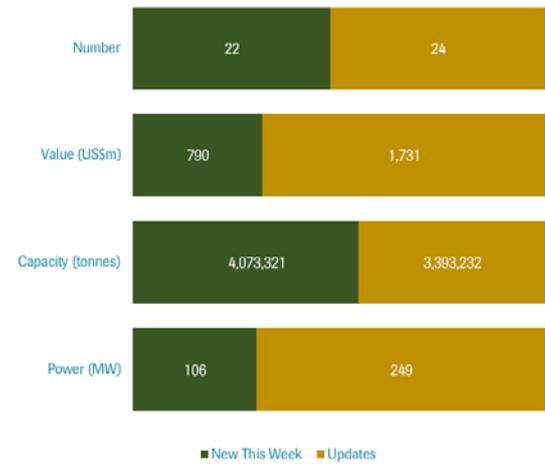
Whatever the details, the broad direction of travel seems clear. To mix a metaphor, the UK seems to be aiming to move the circular economy up a gear. Where once the incentive was the reduction of landfill to the benefit of WtE and recycling, it is now to be the reduction of landfill and WtE, to the benefit of recycling alone. This may have profound implications for the industry, with smaller CHP-style units replacing the traditional incinerators and even perhaps gasification/pyrolysis technologies. In some ways, we've been here before. The UK pioneered waste incineration in the 1800s\*, before abandoning it in favour of sanitary landfill in the mid-20th Century, and then re-embracing it in the 2000s in the wake of the landfill tax. So again today, the regulatory environment is not standing still. Planners must be aware of this changing environment and adjust their strategies accordingly.

\*For anyone interested in the early history of UK waste incineration, I'd recommend 'The incineration of refuse is beautiful': Torquay and the introduction of municipal refuse destructors', by J.F.M. Clark, Cambridge University Press, 2007. You can read it online [here](#).

# Projects Update: 8-12 April 2019

In the week ending 12th April 2019, AcuComm added 22 new projects and updated 24 in our database. These have a combined estimated value of US\$2,521 million.

New & Updated Projects, w/e 12th April 2019



## Top 10 Companies (project value)

1. Outotec
2. E.ON Energy From Waste UK
3. Becon Consortium
4. Siemens Power & Gas Division
5. MWH Treatment
6. Geminor UK
7. Black & Veatch
8. Urbaser
9. Steinmueller Babcock Environment
10. Fomento de Construcciones y Contratas (FCC)

[Click on the above companies to view their latest projects.](#)

[Click here to view the latest new and updated projects.](#)



[View interactive map of last week's projects](#)

# Potential for waste investment in Slovakia?



In his latest editorial, AcuComm's Senior Editor and Research Consultant, Ian Taylor, is looking at how Slovakia's new President could spark growth in waste investment.

On 30th March, Zuzana Čaputová was elected as Slovakia's President with 58.4% of the vote. When she is inaugurated on 15th June, she will simultaneously become the country's youngest-ever President and its first female. Her victory marks a triumph for liberalism and progressive politics in a region which is known for conservatism and populism.

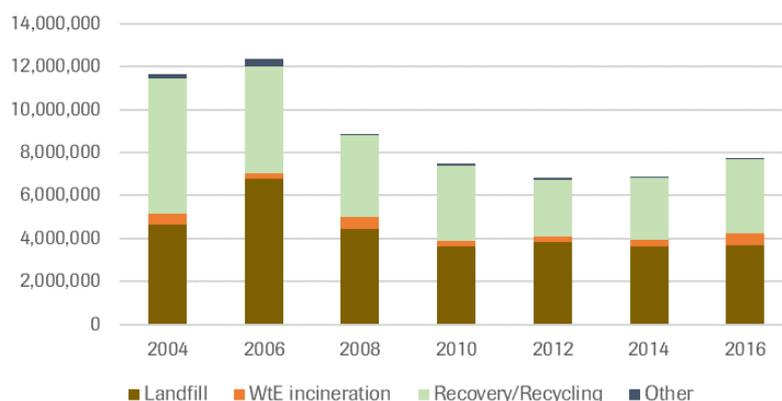
The link to the waste industry? Prior to her political campaign, Zuzana Čaputová was a lawyer who won a 14-year legal battle, culminating in the European Court of Justice, representing the residents of her home town Pezinok against the municipal authority's attempt to establish a landfill close to a residential area. It was a fight, not against the waste industry though, but against corruption.

Waste is a lucrative avenue for organised crime in Eastern Europe, with a plentiful supply of land for landfill sites that is cheaper than in Western Europe and a plentiful supply of illegal waste that can prove to be a good source of revenue for those who can dispose of it.

Slovakia's President-elect is a strong supporter of the EU and it would come as no surprise to see this allegiance rewarded with an inflow of EU funding for development - with legitimate waste infrastructure projects being a key recipient.

Landfill has been Slovakia's main method of waste disposal since 2010 (see graphic).

Slovakia, Waste Treatment Methods 2004-2016 (tonnes)



# What's currently trending in the industry?

Click on the below trends to access a real-time project search in the AcuComm database.

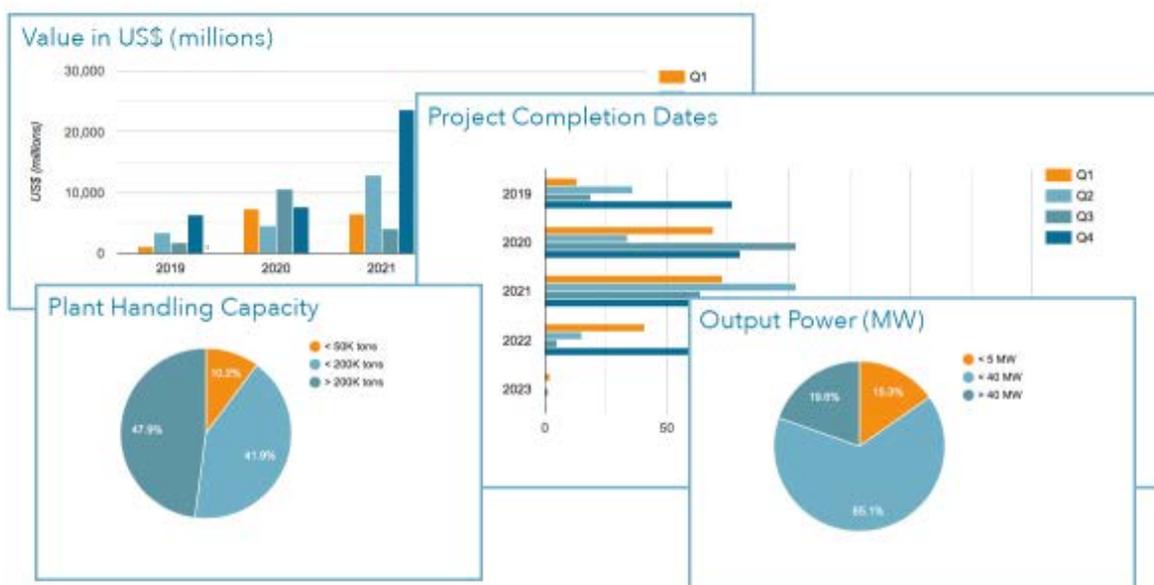
1 Biogas projects in the US

2 Tyre/rubber recycling facilities

3 Biomass in Brazil

## Have you tried AcuComm's **Instant MarketView**?

Looking for a simple visual snapshot of the specific business opportunities available to you? Simply choose the regions, development phases and facility & waste types that matter to your business and click search.



Generate your Instant MarketView

# Editor's Pick Projects



AcuComm's Senior Editor and Research Consultant, Ros Smallman, gives us a rundown of some of the top projects covered by AcuComm in the past week.

## Germany - WtE Plant

### Development of a waste-to-energy plant

Location: Jänschwalde  
Facility Type: Incineration (with energy recovery)  
Waste Type: Commercial/Industrial  
Capacity (tonnes/year): 171,049 (estimated)  
Status: Project Proposal  
Companies: LEAG

[View Project](#)

## Canada - Biofuels Facility

### Construction of a 60 MW WtE plant

Location: Strathmore, Alberta  
Facility Type: Biofuel  
Waste Type: Agriculture  
Capacity (tonnes/year): 1,528,890 (estimated)  
Status: Funding Approval  
Companies: Stuart Olson Construction, Carbon Clean Energy Inc

[View Project](#)

Industry-leading companies using AcuComm to drive their business growth



# Global Waste Investment Fact File: Belgium



## Belgium Key Stats

Population: 11 million  
 GDP: US\$536 billion  
 Annual Waste Generation: 4.8 million tonnes  
 Number of Projects: 28  
 Total Value of Projects: US\$1,730 million

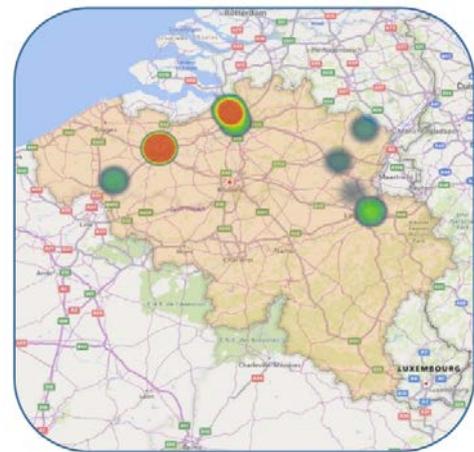
AcuComm currently lists 28 waste projects in Belgium. These have a total value of US\$1,730 million, or US\$62 million each.

Incineration is the leading project type, accounting for US\$934 million or 55% of the total. This is followed by recycling, accounting for US\$335 million or 19% of the total.

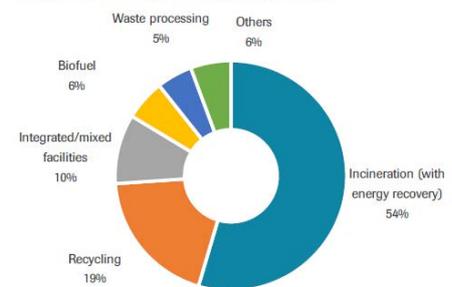
The total estimated capacity of these projects is 4.8 million tonnes. This is equal to 171,762 tonnes per project on average, and 101% of Belgium's estimated annual waste generation.

Waste investments totalling US\$1,484 million are expected to become operational over the next few years. This is currently expected to peak in 2019 at US\$526 million.

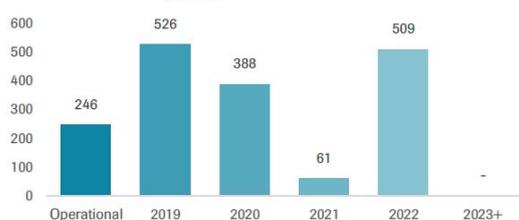
Around 14% of projects by value, and 26% by tonnage capacity, are in projects which are already operational.



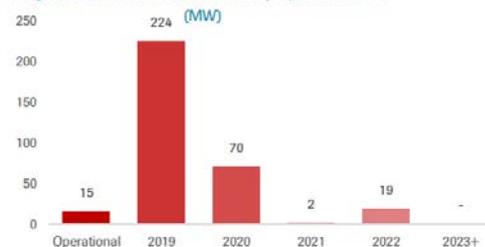
Belgium, Leading Tech Types (US\$m)



Belgium, Value of Investments by Operational Date (US\$m)



Belgium, Power Gen. of Investments by Operational Date (MW)



[View the Latest Projects in Belgium](#)

# About AcuComm

We passionately believe in good quality Business Intelligence. It plays a central part in developing great companies. In our years of providing leading multi-national companies, government bodies and trade organisations with strategic market information, we have never seen this to be more relevant than it is today.

Today, AcuComm is the market leader in providing Business Intelligence for global companies that sell into the Waste, Bioenergy and Recycling markets. Our unique and 'real-time' Business Intelligence fulfils the strategic needs at management level, as well as being directly implementable by the sales function.

The data in AcuComm's products and reports is taken from our proprietary database. This is a database of projects compiled and maintained by us on a daily basis. The information in it is not readily available from any other source.

## What are you looking for?

### Performance



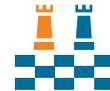
Populate your sales pipeline. Increase sales.

### Growth



Identify new areas of potential growth.

### Competition



Simply keep an eye on the competition.

## Our products

### WasteView Pay As You Go



### WasteView Projects



### WasteView Markets



### WasteView Companies



## How we do it



Data is taken from AcuComm's proprietary Business Database.



The analytics use a combination of reported and modelled data.



# AcuComm

Opportunities in Waste • Bioenergy • Recycling

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