

## UK Textile Recycling Market report – Warsaw – 28<sup>th</sup> October 2013

In my last market report that I gave at the Textiles Division meeting in Shanghai, I reported that 6 established UK textile collectors had ceased trading since the beginning of the year.

Things have not got much better since then, with a further 2 members of our association (including one owned by a former TRA President) going out of business, resulting of hundreds of job losses. At the same time members are anecdotally reporting that warehouses are full and their buyers are buying less. Despite this, prices still seem to be defying gravity and remaining high.

Figures released by the UK Charity Retail Association in their “Rag Price Report – June 2013” report that the average price received by all the charities responding to their survey has dropped by only 1p per kilo compared to December 2012 to around €710/tonne. In addition, the prices reported as being received by national charities are the highest ever at about €770/tonne.

These prices do not reflect what is being reported by our members and what is being quoted in the main UK trade press. I am concerned that charities reading this report may have an unrealistic expectation about what they can expect to receive for their used clothing. The report highlights what the prices were being paid in June and there has been some decline since then. In addition, the sample of charities that responded was relatively small (44) and it may be that charities that have experienced a drop have were less inclined to respond. I was also surprised to read that 20% of the charities that took part in the survey still receive payments by the bag as opposed to payment by the kilo. To put this bluntly, it means that these charities have no idea what rate they are receiving for this clothing. Not only has our association been recommending for years that charities receive payment per kilo, but our Code of Practice recommends that our members carry calibrated scales on their vehicles so that clothing can be weighed before it leaves a charity shop and charity shops can fulfil their obligations under weights and measures regulations.

Charities also need to be careful to ensure that their collectors do not build up large debts. If I were a charity shop manager, I would be much more concerned about whether my shop is receiving regular payments and a professional service, rather than going for a new business which supposedly will be paying a few pence per kilo more, but which if it were to go bankrupt could mean that the charity would be much worse off.

On the positive side, WRAP are continuing to develop some excellent work through the clothing roadmap and other textile recycling initiatives. By the end of the year, we expect the signatories of the Sustainable Clothing Action Plan 2020 to announce their targets of carbon, water and waste reduction for 2020. In addition they have also announced some significant calls for expressions of interest to develop the UK textile recycling market including a “Financial Evaluation of End Markets for Textile Rag and Fibre within the UK and Overseas” and for ““Demonstration projects for the collection of recycling grade textiles for recycling””.

Whilst it can be difficult for stakeholders to appreciate the need to develop markets and secure collections of recycling grades in a sector dominated by used clothing, this is the vital key that we need to aim to achieve if we are to obtain a step change in collection rates. All sectors are only as strong as their weakest point. In our case our weakest point is our recycling grades. In the UK, if we are to make serious inroads into collecting the 430,000 tonnes of good quality clothing that are still dumped in the household waste bin annually we will need to develop effective strategies to extract these items from the waste stream. This undoubtedly will involve putting out messages to the

public that we take all textiles (irrespective of quality) but before we do this we must make sure that the collection systems and markets already exist. This will be very important in the long term.

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