

**Business News**

## **Germany runs out of coveted garbage (News Feature)**

By Sabine Raensch and Jean-Baptiste Piggin  
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Frankfurt - Welcome to the German garbage crisis: the country doesn't have too much, but too little to feed its furnaces.

Since legislation went into force in 2005 banning untreated household garbage from landfills, incineration plants have been built all over the country. Many use the heat to produce steam or hot water and some turn turbines to produce electricity.

'In effect, the flow of garbage has been diverted into incineration,' explained economist Christoph Partisch of Dresdner Bank in Frankfurt. What is more, solid waste can be a cheap fuel alternative to gas and oil, which are soaring in price.

On its own, the refuse is still worthless and a nuisance, but it can be a desirable material for owners of a waste-to-energy plant, since they not only receive money to incinerate it but also a small amount of income from the heat it gives off.

Under German government legislation, such energy plants also gain a valuable exemption from carbon-emissions rules. They are free to release carbon dioxide gas because they do not use up fossil fuel.

The result is likely to be a shortage of solid waste to feed the furnaces of Germany.

German households eject about 14 million tons of solid waste a year, not counting their paper, glass, old packaging and compost which are collected separately to be recycled.

The Environment Ministry in Berlin says there are so far 68 incineration plants with an annual capacity of nearly 18 million tons to burn household garbage as well as factory and office waste.

Added to that are a rash of mini power plants that operate on refuse-derived fuel (RDF), which is made by drying, screening and shredding rubbish into a substance that burns almost as well as waste wood.

Germany, which used to have a shortage of garbage-disposal capacity, may soon be hit by fierce competition for garbage, which could depress prices. Currently, municipal incinerators charge trade customers about 150 euros (235 dollars) per ton to burn it.

The German waste-disposal industry federation says about 100 new incineration plants are being planned around the country.

It warns that such plants will only be economic if the owners obtain long-term 'supply' contracts with industry and other sources of waste. A spokesman, Karsten Hintzmann, said the group would like to see an end to government regulation of waste disposal.

'We should be able to 'trade' in garbage as if it were an ordinary commodity,' he said.

One of the group's complaints is that permits are needed for all imports of garbage to Germany.

That was demonstrated when Italy appealed to Germany for help in clearing rubbish from the Campania region around Naples. That was a business opportunity for the incinerator companies, but it has been taking months to go through all the regulatory steps.

Germany has agreed to take 160,000 tons of the Italian garbage.

The Federal Environment Agency says Germany accepted 6 million tons of refuse imports last year, mainly from western neighbours like the Netherlands. It exported 1.8 million tons, also mainly to the west.

Cities often ship waste over the border to an incinerator that is nearer than one in their own country.

Every cross-border movement has to be notified to the European Union. A Hamburg refuse department spokesman, Reinhard Fiedler, said, 'It's just a formality but takes a while to get.'

Some waste industry spokesmen are calling for free trade in garbage without government monitoring.

In just one German state, Hesse, the excess in capacity to burn household waste is likely to reach 1 million tons annually if planned municipal incinerators are built, and office and factory rubbish may prove insufficient to fill the gap.

In addition, four RDF plants are being built in the state, including a 300-million-euro plant in the Frankfurt suburb of Hoechst to burn 657,000 tons of processed, dried household waste annually.

'I've got a glass jar of the waste on my desk. It's shredded. You can see bits of wood and paper and metal things like nails in it,' said Constanze Buckow-Wallen, a spokeswoman for the operator, Infracore Hoechst.

'There are companies in Germany that dry and process the waste this way.'

The new plant will supply energy on a 90-firm industrial estate.

'Steam is very valuable here because it is an important input for chemicals and pharmaceuticals factories,' she said. Cutting loose from rising world energy costs, the Hoechst estate will raise the amount of the energy it generates on site from 40 to 60 per cent.

Edgar Freund, a spokesman for Hesse's state ministry of the environment, defends the exemption for such plants from the need to pay for carbon-dioxide emissions rights.

Carbon dioxide will come out the chimney and contribute to global warming, as happens with all combustion, but that gas would also be released if the rubbish were to rot in a dump. Burning it thus benefits society and reduces use of fossil fuels elsewhere, he said.