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Waste to Energy boom takes a break, new markets on the horizon

New project awardings in China and the UK are declining. ecoprolog expects large parts of the UK's WtE market to become saturated by around 2026. As these former boom markets are moving towards a soft landing, other countries in Asia, Europe and the Middle East show significant potential for the future.

ecoprolog has published the 16th edition of its annual study on the global Waste to Energy sector.

Today, more than 2,700 thermal treatment plants are in operation around the world, with a combined capacity of about 530 million tons of waste per year. ecoprolog estimates that more than 3,000 plants with a capacity of more than 700 million tons will be in operation by 2032.

China has seen a steady decline in new project awardings in recent years. This is partly due to the slowing economy and material recycling of waste becoming more important in China. As of 2023, the country's capacity target for 2025 of 292 million tons per year has already been exceeded, but the market is not yet saturated. ecoprolog expects the Chinese thermal waste treatment sector to experience a soft landing in the coming years, with new capacities declining steadily to 4.8 million tons in 2032.

Other promising markets in Asia, such as Thailand, Indonesia, and India, are not yet able to absorb the market slump in China. Amongst other reasons, this is due to insufficient financial and regulatory support from governments in most of these countries. Nevertheless, even if many projects in these new WtE markets fail, the number of realized projects still increases.

In the UK, the long-standing boom in new project awardings has already slowed down noticeably in 2023. Large parts of the UK's WtE market will become saturated by around 2026. However, while the European market is still being dominated by the development in the UK, several other European countries show a significant market development as well. These include countries such as Poland and the Czech Republic, but some projects also emerge in traditional WtE markets, like Italy and France. In the established markets, maintenance and retrofits are becoming increasingly important.

In addition, further new markets will emerge or continue to grow in the future. This includes the Americas, with Brazil in particular. ecoprolog also sees a growing market potential in the Middle East, especially in economically stronger countries, such as Saudi Arabia and Kuwait.

CO₂ taxation is an increasingly important issue for the WtE industry. CO₂ pricing directly increases the cost for waste incineration and this, if not accompanied by higher landfill taxes, could contradict efforts to stop landfilling. In Europe it can be expected that the EU will require the WtE sector to pay for the fossil CO₂ within the European Emission Trading System. However, introducing CO₂ taxes could also create new opportunities for the industry, most prominently through carbon capture and storage (CCS) or utilisation (CCU). Thus, in 2023, several new carbon capture projects have emerged at existing or planned facilities in Germany, Denmark, Finland, the UK, and the United Arab Emirates.

The new market report "Waste-to-Energy 2023/2024" is available at www.ecoprolog.com.

About the Market Study “Waste to Energy”

ecoprolog’s “Waste to Energy” study is the industry's leading standard work. It includes a forecast of the global market development by country until 2032 and contains data on more than 3,600 waste treatment plants and projects. Moreover, it analyses market factors, trends and support schemes for the 50 most important national markets and worldwide. Further information on the new edition 2023/2024 is available at [ecoprolog.com](https://www.ecoprolog.com).

About ecoprolog

ecoprolog is a consultancy specialising in the fields of environmental and energy technology. In these markets ecoprolog has been working as a market consultant for 18 years as an established industry insider. Typical activities of ecoprolog include market and competition analyses, commercial due diligence, economic feasibility studies and material flow analyses.

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