



Annex V: Aviv Recycling Industries

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Aviv Recycling Industries

Aviv Recycling Industries was set up in 1991 and was first active in plastic recycling in general. In 1997 it was bought up by the father of the current VP and PET recycling was added to the portfolio. At this time there was no existing collection scheme, thus Aviv Recycling set up the cages for collection in specific municipalities. Since 2010, other players are active on the Israeli market but Aviv Recycling is the only company that recycles PET in Israel, the competitors export the material. In 2014, Aviv received through own collection and buying from competitors 11.000 t of plastic, mainly PET and some HDPE bottles. In late 2015, due to the crash of prices, Aviv Recycling stopped buying material from competitors. As a result, in 2016, Aviv received only about 5,000 t (about 50 % of all PET bottles in deposit system). The collection is organised through by the municipalities or by TAMIR and the bales are either sold to Aviv Recycling, or exported (mainly to Turkey, currently 2/3 of all plastic bottles).

With the current market conditions and the secondary material available through collection, Aviv Recycling just breaks even but only thanks to working weeks limited to 3 days:

- Stable prices and overcapacity of virgin material
- High cost of production in Israel and increased minimum wages
- Strong Shekel, weak Euro
- The Israeli legislation is very strict regarding all outputs of the factory: waste, wastewater, pollution etc. This also increases the cost of production in IL and is not competitive with Turkey, where no such legislation is enforces

Main problems identified

- Market prices: Israel can't compete with export prices due to a number of reasons (see above)

Key recommendations

- Stop the export of secondary raw materials. Limitation is not an option since then it has to be done for each plastic material and this is very difficult to monitor
- Subsidies for employment of workers or for tipping fees, electricity for recycling industry
- Support to limit the burden on labour costs and environmental standards etc. in comparison with Turkey as main country for export

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