

## Orders for thermal waste treatment capacity in Europe hit lowest level since 1995

### Newest Vaccani study: only nine new plant projects in 2014

(EU) – The European market for thermal waste treatment plants has offered hardly any potential for growth in recent years. Even the UK market is now nearing saturation, according to the most recent study on the European waste to energy market compiled by Swiss consulting firm Vaccani, Zweig & Associates (VZA). In 2014, just nine new waste to energy plants with a combined capacity of 5,623 tonnes per day (tpd) were ordered throughout all of Europe. This was the lowest annual order volume recorded since VZA started conducting its survey in 1995.

The VZA study provides an overview of the development of the European waste to energy (wte) plant market over the past two decades. As in earlier versions of this study (EUWID 13/2014), the Zurich-based consultants used reference lists and other information provided by manufacturers to compile data on all new incineration capacity larger than 3.5 tonnes per hour for the periods 1995-2001 and 2005-2014. Major upgrades of existing plants, such as the replacement of the combustion grate, were included in the calculations at 50 per cent of the plant's capacity.

According to VZA, the average order volume for new wte capacity in Europe over the past ten years (2005-2014) was 10,679 tpd. The European market for thermal waste treatment plants reached a peak in 2007, when plant builders received orders equivalent to capacity of 15,473 tpd. After new order intake dipped sharply in 2008 (8,855 tpd), order volumes rose again in subsequent years to reach 11,108 tpd in 2011. Since that time another decline has set in, with a new low seen in 2014. This was due mainly to project delays, but also to the cancellation of whole wte plant projects in Eastern Europe (e. g. in Poland) as well as in Turkey and the United Arab Emirates (the Middle East is included along with Europe in the VZA study).

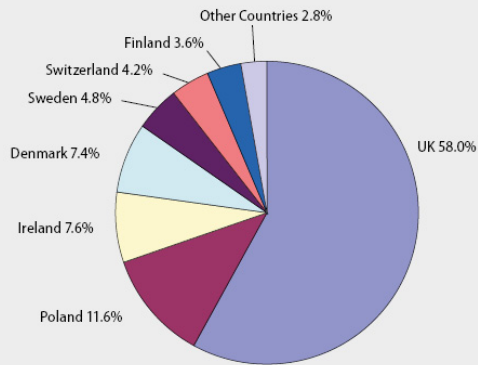
European order volume would have declined even more sharply in recent years were it not for high demand in the UK, according to VZA. The consultants listed a total of 21 new plant projects in the UK with a combined capacity of 17,724 tpd for the years 2011 to 2013. However, order activity declined in that country as well in 2014. Only three new contracts with a total capacity of 2,774 tpd were awarded last year. Together, the UK and Ireland, where there was one project with 1,968 tpd of incineration capacity commenced in 2014, accounted for around 84 per cent of all new orders in 2014. In the traditionally strong wte markets of Germany and France, VZA has not registered a single new contract in the past three years.

In addition to contract volumes, this year's study once again also evaluates the market shares held by various plant engineering companies. The market leader for the past 10 years with a share of 25.2 per cent is Swiss technology group Hitachi Zosen Inova. The second-largest order volume was achieved by Munich-based plant builder Martin and its French technology partner CNIM, who together accounted for around 21.8 per cent of last year's newly ordered capacity (7.1 per cent Martin and 14.7 per cent CNIM with Martin technology). Third place was taken by Keppel Seghers (11.3 per cent), followed by Steinmüller Babcock Environment GmbH (formerly Fisia Babcock Environment GmbH) in fourth place with 10.5 per cent.

Plant engineering companies' European order backlogs at the beginning of 2015 amounted to 23,904 tpd of incineration capacity, according to the study. Last year, the backlog figure had stood at 29,297 tpd, and the long-term average since 2005 is 33,182 tpd. In order to be successful in the plant building market with its annual fluctuations, "suppliers need to maintain strong marketing efforts in multiple markets, while short term they have to be successful in the UK," said VZA.

The study "European Market Share Analysis of Thermal Waste Treatment Plants" costs €3,500 and is available now from Vaccani, Zweig & Associates in Zurich. It is available to EUWID subscribers for a special price of €3,000.

Geographic distribution of European orders for new waste incineration capacity 2012-2014



Total: 25,923 tonnes per day

Source: Vaccani, Zweig & Associates; EUWID graphics