



# China Update

Council on Recycling  
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Jennifer Semrau, Waste Reduction & Diversion Coordinator  
Bureau of Waste & Materials Management



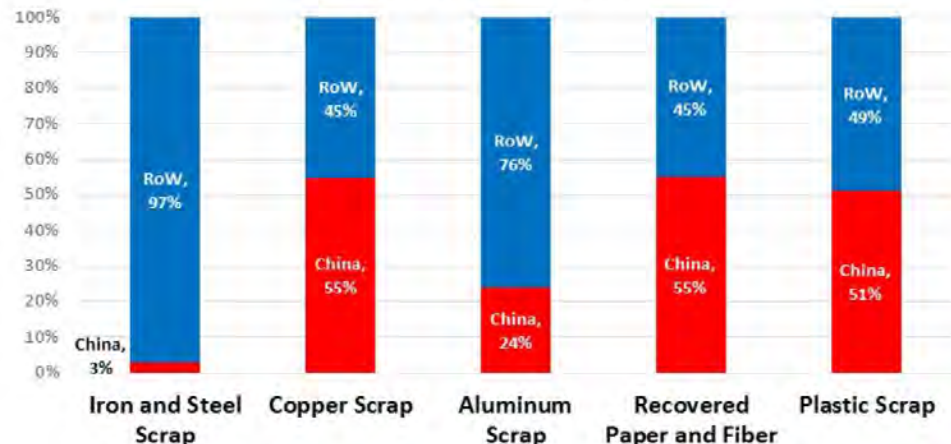
# Global Recycling Marketplace

U.S. is part of a global recycling industry

- Global scrap exports: 160M tons worth \$70B
- U.S. exported 37M metric tons worth \$17.9B
- ~30% of scrap processed in US is exported
- U.S. exports to China worth \$5.6B

**Mainland China's Share of Global Imports for Selected Recycled Commodities, 2016(p)**

Source: UN Comtrade Database



China is world's largest importer of fiber and plastic



Source: ISRI



# What is happening in China?

China facing severe environmental issues & dramatic growth

- 60% of groundwater unfit for human consumption
- 19% of arable land contaminated with heavy metals
- 100 million new cars on the road in last decade
- Staggering increase in urbanization
- Lack of enforcement of existing environmental laws
- Decades of putting economic growth above the environment



Source: ISRI

# China's Environmental Goals

By yr  
2020

Ministry of Environmental Protection of the People's Republic of China established various goals:

## WATER

- Improve quality of >70% of seven key river basins
- Amt of foul water in urban areas not to exceed 10%

## SOIL

- Return >5,000 mi<sup>2</sup> of polluted land to forest & grassland
- Make 90% of farmland safe

## AIR

- Reduce carbon intensity 40-45% below 2005

## SELF-SUSTAINABILITY IN RECYCLING



Source: ISRI

# Actions by China to Control Imports

**Late 2016** National Sword initiated

**July 2017** WTO notified of bans & carried waste standard; “Implementation Plan to Enhance Solid Waste Import Management System by Prohibiting the Entry of Foreign Waste” released

**July 2017** Country-wide inspections, permits revoked

**Jan. 1, 2018** Ban on 24 categories of materials, including post-consumer plastics and mixed paper

**Mar. 1, 2018** Carried waste standard (0.5%) into effect

**Mar-Dec 2018** ‘Blue Sky’-General Administration of Customs focused on “combating smuggling of foreign garbage” via concealment, false declaration & entrance where no customs



Source: ISRI



## May, 2018 Update

- 5/4: Announcement that ALL imports to China will be banned for at least a month
- China Certification & Inspection Group (CCIC) provides inspection and certification services of materials for import to China; suspended all operations from 5/4-6/4
- Reported reason: failure of imports to meet new quality standards/imports
- Beginning 5/4, 100% of all shipments from US will be opened for inspection
- Action only affects material coming from US
- **Amongst 'unwanted' materials are "waste papers containing hard-to-be identified special papers"**



# Impact on Wisconsin's Recycling Program

- DNR providing clarification on landfill banned items (#1 & #2 plastic containers, newsprint, cardboard, magazines, office paper)
- Some recycling programs ceased collecting, or MRFs not marketing, #3-#7 or mixed bulky rigid plastics
- Emphasizing education and communication between RUs, haulers and MRFs to reduce contamination
- Considering statewide educational campaign focused on **'recycling right'** fashioned after FL DEQ and the Recycling Partnership efforts





## May, 2018 Update

- DNR receives notification that a major hauler/processor of recycling in the state is experiencing effects related to **China's actions**
- **Being asked to process other companies' material (they cannot)**, due to their inability to market
- Difficulty moving mixed paper (even prior to 5/4 announcement)
- Seeking DNR clarification/concurrence on when recyclables are allowed to be landfilled due to contamination
- **Concern over WI's landfill bans on paper**







# Looking Ahead



- ISRI, SWANA, NRC and other organizations seeking clarification & offering China assistance
  - Scrap is not waste; commodities with value
  - **Unclear definition of "carried waste;" differs from international standards**
- Some Chinese manufacturing moving outside of China
  - Import license restrictions resulting in shortfall of 7M tons of plastic scrap needed for manufacturing
- Market growth opportunities in SE Asia, India, Mexico, Canada and the Netherlands
- Potential domestic market growth and infrastructure development in the U.S.
- DNR continue to monitor & encourage quality



Source: ISRI

# Questions?

Jennifer Semrau

Waste Reduction & Diversion Coordinator

(608) 267-7550

[Jennifer.Semrau@wisconsin.gov](mailto:Jennifer.Semrau@wisconsin.gov)

