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

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

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 mi² of polluted land to forest & grassland
• Make 90% of farmland safe

AIR
• Reduce carbon intensity 40-45% below 2005

SELF-SUSTAINABILITY IN RECYCLING

By yr 2020

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?

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