

# Chinese Takeaway

## What's on the menu now?

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- 45m tonnes of waste paper, plastic, & metal together worth over €15bn
- In 2016 China imported 7.3 million tonnes of waste plastics, valued at €3.1bn, accounting for 56% of world imports.
- In 2015 China imported 51% of global recovered paper.
- Between 1995 and 2016 Chinese imports of waste grew tenfold, from 4.5m to 45m tonnes per year.







- China is the world's biggest consumer of raw materials
- 2013 the government launched "Operation Green Fence", a campaign to block imports of illegal and low-quality waste
- 800,000 tonnes were rejected in the first six months & 247 companies lost their import licences.
- In February 2017 Chinese customs officials announced "National Sword"
- In July 2017, China told the World Trade Organisation that by the end of the year, it will no longer accept imports of 24 categories of solid waste





## Why is China restricting these imports?

- To protect the environment and improve public health
- To encourage domestic recycling
- Series of controversial discoveries of highly toxic and dangerous imports;

In June 2017 a major crackdown in Guangdong by 172 officials from; Customs, EPA and AQSIQ, seized 85,000 tonnes of smuggled waste plastics and metals with a value of €140M and exposed 5 organised crime gangs.

Following this, China's ministry of Environmental protection created 60 groups of 7 inspectors to check 1,800 recycling units handling plastics. More than 1,250 environmental officers were engaged to support these groups.



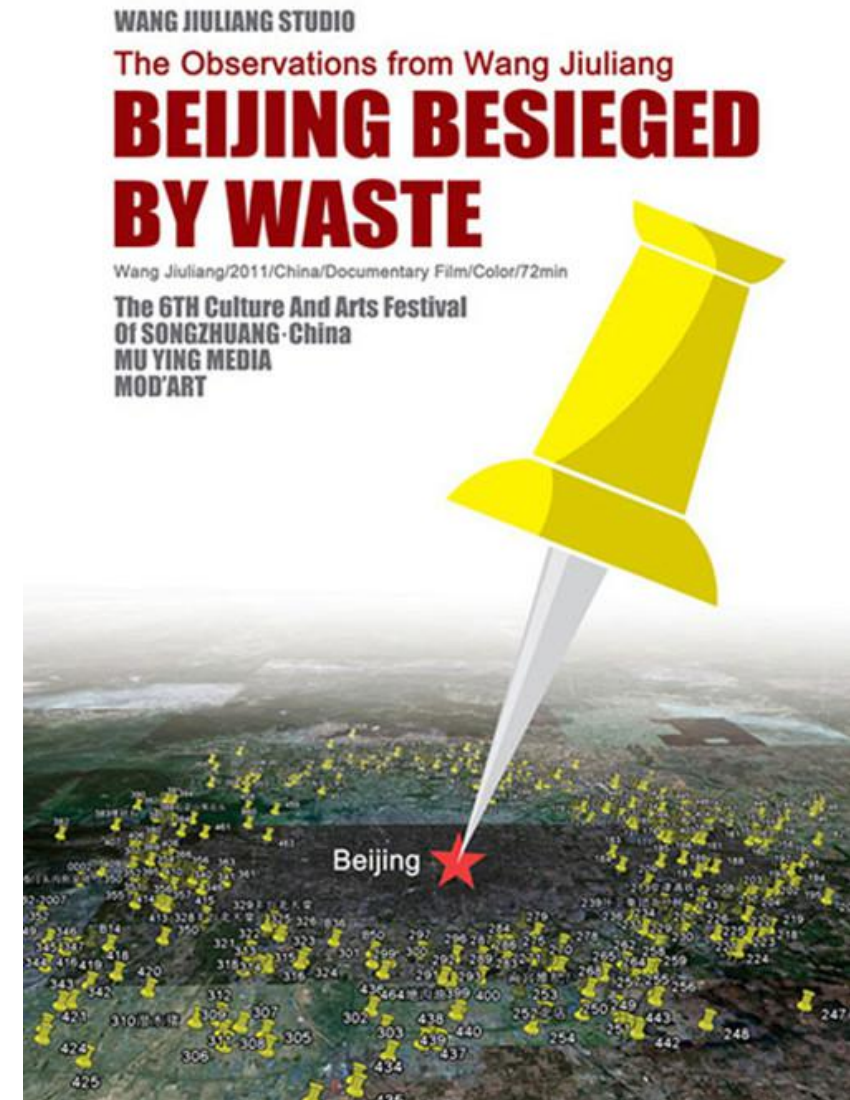




## Why is China restricting these imports?

- Dangerous, low cost & unregulated labour practices
- Labour practices negatively publicised to the world by documentary films showing child labour being used to sort materials and sorted waste goods being dumped and washed in local rivers
- This is not a market manipulation strategy, this is an environmental issue – Or is it??







## What is happening / will happen now?

- Clean, 99.7% pure sorted material will continue to be sold in China.
- The price for clean materials is likely to increase short term
- Small “*backyard*” sorting operations in China will close as there are no more low grade materials available for sale.
- Backyard sorting operations were adding value to products through low-cost labour with zero environmental considerations.













## What is happening / will happen now?

- Market for lower grade materials will continue to fall
- The higher quality materials will be bought by manufacturers outside of China
- Domestic recyclers/collectors will have to add value in the originating country (separating at source, washing, pelletising, flake)
- Domestic recyclers will have to diversify and export to emerging markets
- Those who invest in plant early and produce a product which **can** be exported to China will make money in the short to medium term while the market settles







## What are the barriers to entry for setting up processing facilities in Ireland?

- Labour & Energy costs are too high
- Lack of knowledge and infrastructure
- Planning, licencing, and environmental compliance takes too long
- Our regulatory bodies are under resourced
- Detail required by the regulatory bodies to develop a plant capable of producing “End of Waste” classification is prohibitive.



## What impact will this have on Kerbside collection?

- Increased emphasis on operators to collect clean, high quality material.
- Cost of recycling may increase (investing in education & enforcement)
- Source segregation should be considered
- Remove low-grade composite packaging from the green bin and direct it to the black bin
- Recycling friendly packaging should be encouraged by taxing materials not easily recycled (e.g. new paper cup levy)





## How will this affect Ireland's recycling targets?

- Packaging recycling & recovery in Ireland has grown from 15% in 1997 to over 76% in 2016.
- Ireland's plastic **recycling** rates may stall or slightly decrease as a portion of low-grade plastic material is diverted towards **recovery** such as SRF production.
- Sending these low-grade materials to SRF production in Ireland is preferable to shipping them around the world. They will be removed as a contaminate from higher grade material and, potentially, sent to a poorly managed landfill (or worse) in China.
- Ireland needs to consider processing plastics locally. We need to encourage use of only plastics that can be recycled locally (close the loop)



**Thank you  
for listening...**

