

”No More Foreign Garbage”: China, National Sword and Global Scrap Politics

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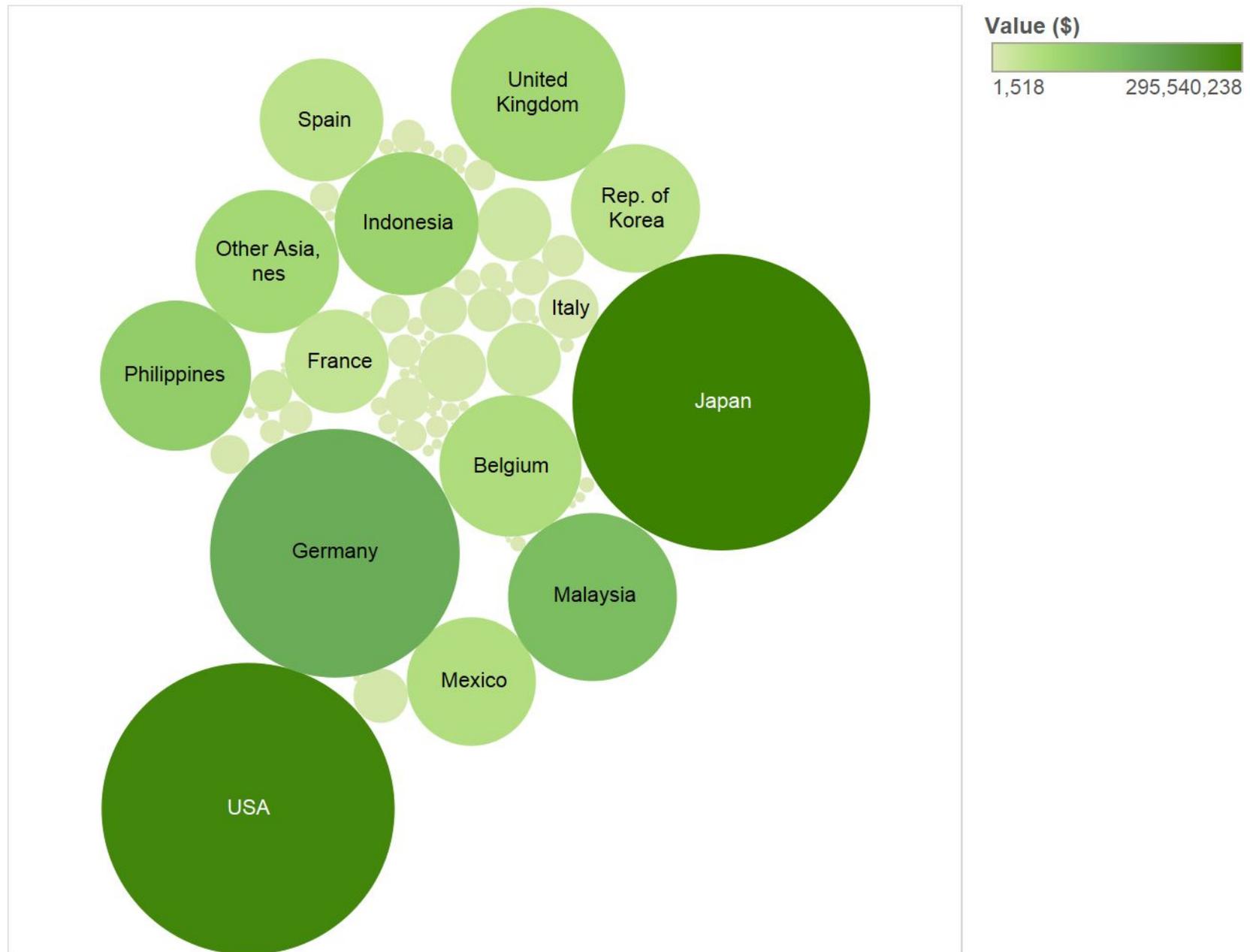
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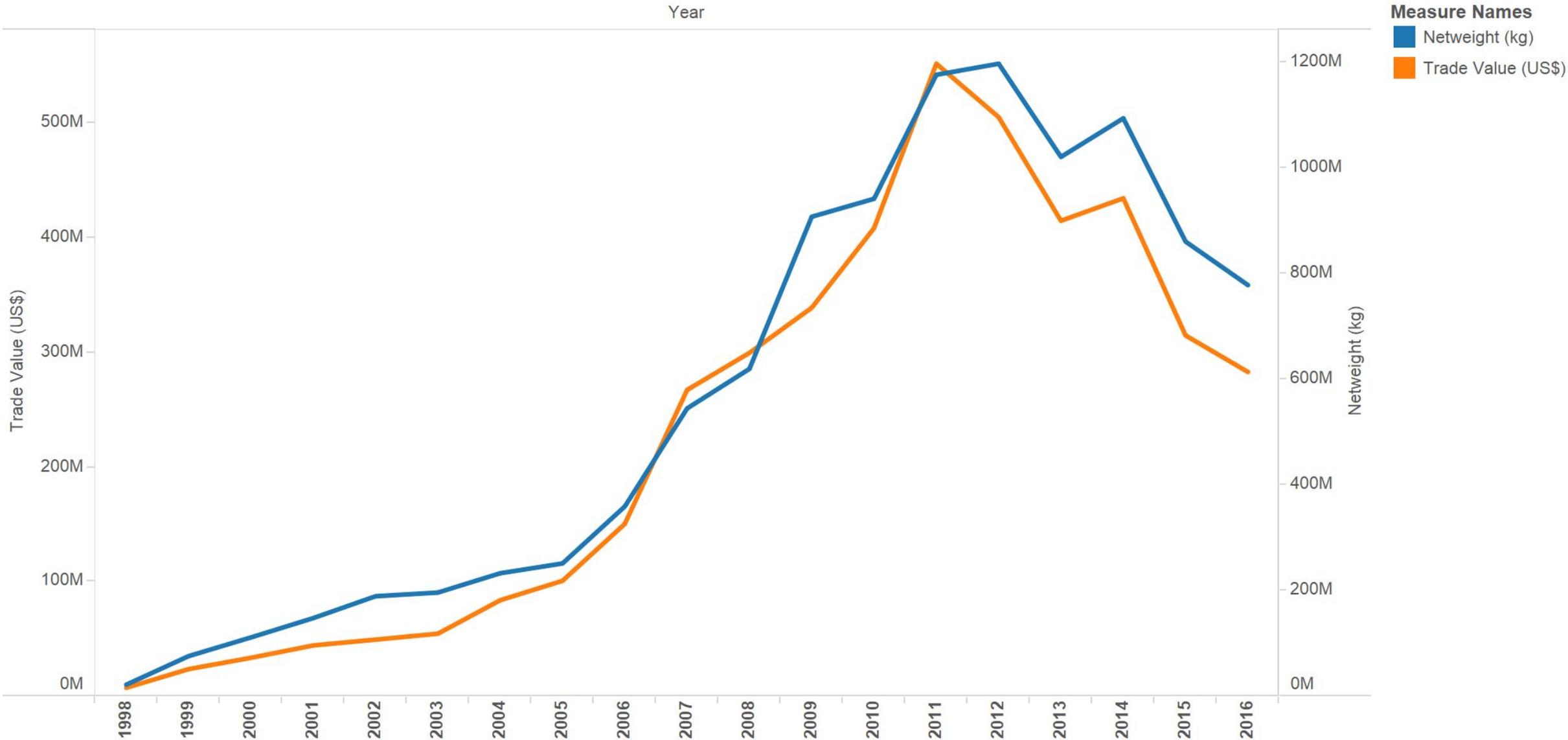
China and plastic scrap imports: Overview of case

- Imports
 - Up to (and sometimes over) half the plastic scrap in US sent to China
- Resistance
- Ban
- Response
- Implications



China's imports of plastic scrap (HS3915), 2016, by country, excluding Hong Kong SAR, UN COMTRADE data

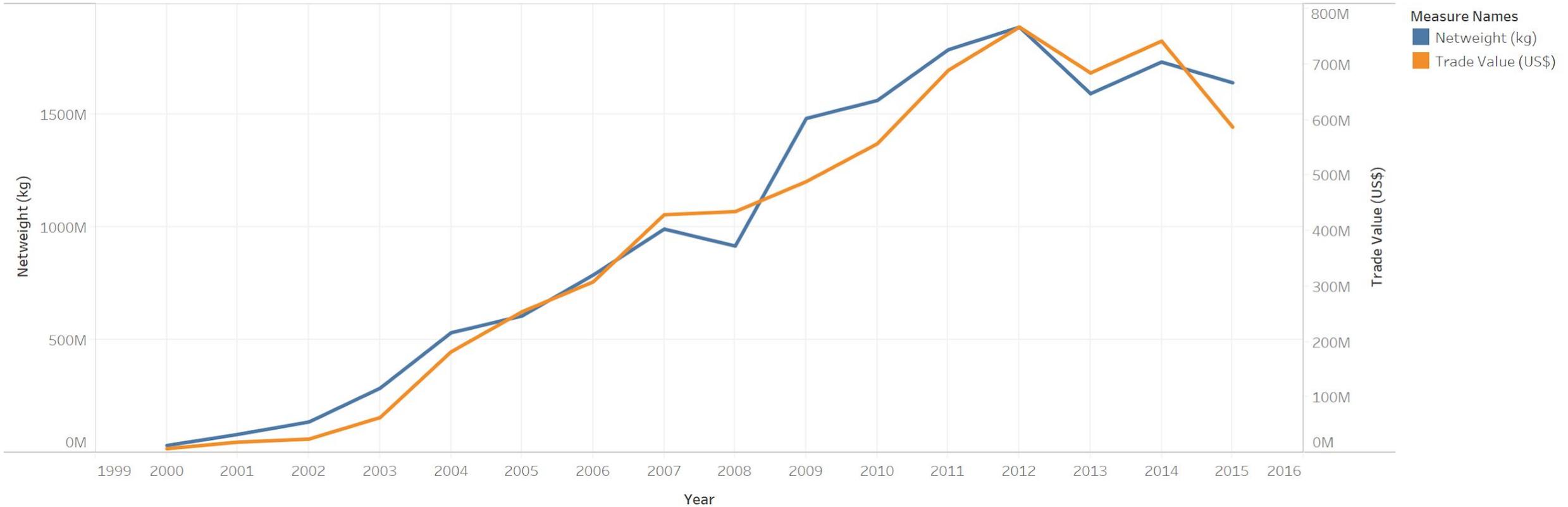
US Exports of Plastic Scrap to China, 1998-2016



Data Source: UN Comtrade

EU to China Plastic Scrap Exports, 2000-2015

Sheet 1



Also seriously affected: Australia, UK, Hong Kong SAR

What happens to plastic scrap in China?

Unclear, to say the least

China has a far higher recycling rate than the US, and a higher one than Europe for many types of scrap, and high manufacturing demand

But health impacts on environment and informal sector workers are considerable



Beijing strikes back...

- Operation Green Fence, 2013
- Operation National Sword, 2017



July 2017: Crackdown!!

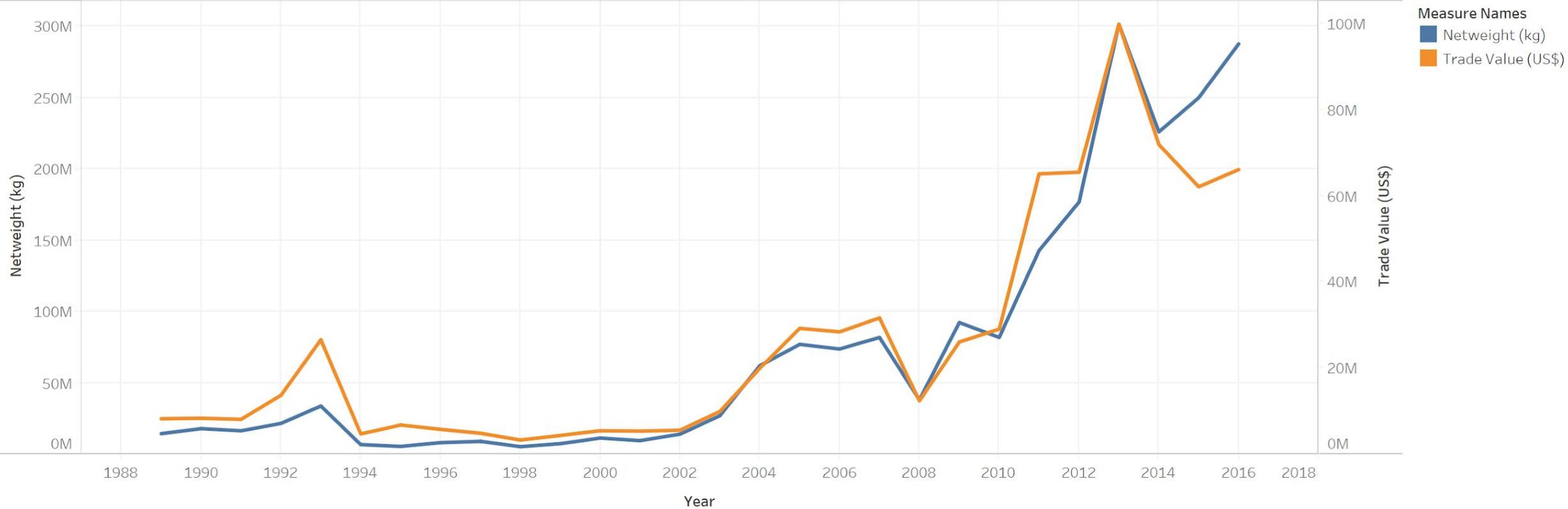
- **24 different kinds of scrap** by the end of 2017, deferred to March 1 2018
- **Contamination Standards:** 0.5 percent across those categories. For plastics, down from 1.5 percent
- **ISRI:** the ban could have a “devastating impact” on the recycling industry, with the loss of “tens of thousands of jobs and closure of many recycling businesses throughout the United States”

Implications?

- US: no large scale recycling plant built since early 2000s
- More pollution in China – paradoxically – but better global image?
 - “No More Foreign Garbage”
 - Reshaping informal sector
 - Local authorities, and smuggling?
- More plastics in landfill and ocean
- Diversion to other overseas markets: already underway, but what happens there?

Malaysia plastic scrap imports, 1989-2016 (UN Comtrade data)

Sheet 1



What happens next?

- Investment in recycling infrastructure in developed countries?
 - But who is investing?
- A WTO dispute? (not a bad thing but will take a while)
- Long-term reduction in plastics use

Bigger Picture: Significance of this Case

- Illustrates changing role of China in the world
- That the wealthy countries no longer hold the cards in waste recycling markets
- That global scrap circulation is (for now and into medium, even long-term future) central to the shift to a circular economy