



## BIR 2017 Convention: A plastic curtain

China's scrutiny of plastic scrap imports seems poised to greatly change where plastic scrap is processed and shipped.

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The Chinese government's National Sword campaign has targeted the plastic scrap sector throughout the first half of 2017, causing a severe slowdown in importing and processing activity in that nation. Attendees of the Plastics Committee meeting at the 2017 Bureau of International Recycling (BIR) World Recycling Convention, held in late May in Hong Kong, heard updates on the situation, as well as market reports from other parts of the world.

Steve Wong of Hong Kong-based Fukutomi Co. Ltd., who also serves as president of the China Scrap Plastics Association, said the media in China in recent years has "given a very negative image of our industry." As a result, he said China's central government now is "not looking at plastic scrap as a resource."

Several government agencies, led by China's Ministry of Environmental Protection (MEP), have been working jointly as part of National Sword to inspect all inbound containers of plastic at all ports into China. Wong said inspectors at all ports are "not so flexible" as they used to be. As of May 2017, this has caused a backup of up to 8,000 containers in Hong Kong and demurrage charges that are making transactions highly unprofitable.

Wong said that while some neighbouring countries could accept some of these loads, they also may have no desire to import unprocessed, mixed or “difficult” plastic materials into their nations. More likely, said Wong, is that there will be more plastic scrap processing “closer to source” in places like Europe and North America.

Plastics Committee Chairman Surendra Borad of Belgium-based Gemini Corporation NV said China’s new barrier is unlikely to lead to increased plastic scrap traffic to India. He said China had been importing from 7 million to 9 million tonnes per year of plastic scrap. Comparatively, said Borad, “India is not prepared” to fill that gap, as it imports just 320,000 tonnes per year currently.

Added Borad about India, “The authorities are very strict in issuing import licenses [and] Customs is very demanding in its interpretation of quality parameters. I do not foresee major changes in the situation in India.”

Renaud Pfund of Paris-based Veolia Proprete France Recycling said, “The new regulation in China could bring additional difficulties to sell all [plastic scrap] available.”

He added it is likely companies in Europe will make the “decision to build new washing plants” to upgrade their LDPE (low-density polyethylene) scrap.

Mahmoud al Sharif of United Arab Emirates-based Sharif Metals indicated the Middle East region faces the same circumstance. While the region is still building its collection infrastructure, much of the plastic scrap it does collect heads to China, he said. “Now, with the 100% inspection of containers [in China], it will be difficult unless it is processed in a certain way,” Sharif commented.

Guest speaker Nigel Mattravers of ALBA Integrated Waste Solutions Hong Kong Ltd. said its electronic scrap processing facility being built in that city is offering another channel through which it “will be perfectly possible to recycle at source.”

When the plant is up and running later in 2017, said Mattravers, it will be able to convert the plastic components of scrapped computers, televisions and appliances into secondary resins of several varieties, including polypropylene, polystyrene and ABS (acrylonitrile butadiene styrene).

Mattravers indicated Hong Kong’s municipal solid waste stream (MSW) is seeking a similar solution, since currently much of the city’s post-consumer plastic heads to two landfills in the region. He said a recent report concluded that more than 2,000 tonnes of plastic scrap heads to Hong Kong’s landfill each day. Of what is recycled, 94% had been exported (typically to China), but now that must change.

Guest speakers Deepak Saxena and Anthony Ip of Hong Kong-based Kerry Logistics said the new ocean freight alliances had allowed shippers to raise rates in early 2017 “after six or seven years of disappointment” caused by excess container ship capacity.

Saxena said excess capacity remains a problem for shippers, who are again gradually lowering rates to regain market share. Regarding the sudden increase in

early 2017 rates, he said, “I have never before in my life seen this, but [rates] are now going down.”

The BIR 2017 World Recycling Convention was held at the Hong Kong Convention Centre 22-24 May.