

How China Profits From Recycling The World's Waste

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BEIJING — The world now produces over four billion tons of waste every year. China buys some of it — mainly scrap metal, plastic and paper — to feed demand from factories and construction companies.

Here on Dongzhimenwai, a street in downtown Beijing, people gather to sell their waste. Old ladies line up with carts of plastic bottles, stacks of newspapers and even bits of toys and metal kitchenware they've collected. The plastic bottles are melted down to make everything from acrylic clothing to electronics.

Buyer Liu Aiguo explains what happens to this so-called trash once it's in his hands. "I fill up the truck, and then I drive it to Tongzhou town outside the city, to a holding depot that takes it to factories," he says. "We buy plastic bottles and bales of paper, and we buy steel. But it depends on the quality. We can also go and collect from offices that have a lot of paper."

The materials are sorted and then sold on to factories that will melt down this plastic and turn the stacks of old newspaper into rolls of paper for use in new fibre.

Recycling provides a livelihood for the collectors, but it also provides cheaper raw materials for China's manufacturing and construction sectors.

In an impressive boardroom at the Beijing headquarters of the China Metals Recycling Association, the organization's Vice Secretary General Zhang Xizhong explains how its members generate \$40 billion a year by recycling 10 million tons of aluminum, copper and lead. But, he says, a weaker Chinese economy has reduced demand for imported scrap.

"The growth of the economy has slowed down, and we can see in the first half of this year that both the volume and the value of imports dropped," he says. "The demand for metals in China remains largely stable, but because demand isn't growing like before, prices become a problem."

Zhang says China can protect its environment and save precious energy and water by using scrap rather than smelting new metals. "The Chinese government has as early as 2002 put the policies in place to make recycling a central part of our economy," he says. "Companies

involved in this industry have grown a lot under government's supportive policies, and we expect policies to continue to develop the recycling industry in China."

The world looks to China

Scrap dealers around the world are counting on Chinese demand to make recycling profitable. The country, for example, is a big customer for Ranjit Baxi, who runs the UK-based waste trading company J&H Sales International. Baxi is also a board member of the Bureau of International Recycling (BIR), an umbrella body of recycling companies worldwide. BIR Media Review November 2014

"Where China was importing half a million tons of paper before 2000, today China is importing 30 million tons, says Baxi, whose forthcoming book *Recycling Our Future* is about the global recycling business. "At the same time, China's collection of waste paper within China was very low previous to year 2000, but today I could well estimate that China is collecting domestically close to 50 million tons."

Baxi says more than 80% of the items buried in landfills could be recycled instead. Recycling a ton of paper, he notes, saves 30 trees, 26,000 liters of water and over three cubic meters of landfill space.

But demand from China will have to improve in order to make prices worthwhile for traders of recyclable waste like himself. And in the meantime, China is becoming stricter about imports of waste paper.

"China is considering controlling the amounts or volumes of recovered fiber imports or import licenses that they're issuing to the paper mills," he says. "So they're trying to reduce those licenses or control those licenses."

With weaker demand for waste, Beijing waste collector Liu Aiguo says he's also been forced to become more choosy about what he buys from the ladies who line up every morning with their carts of waste on Dongzhimenwai.

But he says China still needs to recycle waste, so he'll keep buying.