

Obstacles to Plastics Trade in Asia

The international scenario of the plastic scrap market due to China's import ban was the subject of the BIR Plastics Committee.

China's "unprecedented" move to stop plastics scrap imports had "surprised the whole world", according to Dr. Steve Wong of Fukutomi Co. Ltd and the China Scrap Plastics Association. And in response, many recyclers had shifted their operations mainly to the South East Asian countries of Malaysia, Vietnam and Thailand, he told the BIR Plastics Committee meeting in Barcelona.

As stated by Dr. Wong in the May issue of the "BIR World Mirror" on Plastics, it is estimated that local investments by China's recyclers have amounted to 1.6 billion US-Dollars. With more factories moving to South East Asia and increasing their production capabilities, these countries would satisfy nearly five million tons of China's recycled pellet demand by the end of this year.

However, the Malaysian government had stopped accepting applications for approval permits while the authorities in Vietnam and Thailand were clamping down on factories failing to comply with environmental regulations, leading to some closures. Other potential outlets in Asia – such as Taiwan and the Philippines – were unable to take substantial volumes, Dr. Wong informed during the BIR convention. He reiterated his support for greater recycling at a source, not

ing an increasing number of examples of businesses going down this route in Europe and the USA. In April this year, the People's Republic of China announced an updated list of items prohibited for import, including a ban on plastic scrap from post-industrial sources, which will come into force at the end of 2018.

Plastics scrap imports into India were running at around 400,000 tons per year and were therefore eclipsed by the annual seven million tons that had entered China in the past, noted BIR Plastics Committee Chairman Surendra Patrawari Borad of Gemini Corporation. "The plastics scrap industry in India is going to boom," he added. "I only hope it is soon." In this context, he informed that the import of PET grew substantially. However, "the main stumbling block" towards growth in Indian import was the difficulty in getting import licenses; only 35 companies have been allocated the licenses. But Surendra Patrawari Borad is optimistic that in India the awareness of the authorities towards recycling will rise.

In a report on the US market, the chairman of the Plastics Committee drew attention to new targets established by the Plastics Division of the American Chemistry Council, including 100 percent of plastics packaging

to be recyclable or recovered by 2030 and 100 percent of plastics packaging to be reused, recycled or recovered by 2040. These were "very ambitious" goals, he said, given that the plastic bottle recycling rate in the USA was currently around 30 percent.

The European report from Renaud Pfund of Veolia Propreté France Recycling identified increased demand from Eastern Europe for PET and HDPE bottles, leading to "quite strong" prices. The French government is asking for a voluntary plan for the recycling and producing industry for the integration of resins from the regeneration, he told the delegates. Plastics recycling opportunities in the Middle East, meanwhile, would be improved if the region could offer "a long-term, predictable regulatory legal framework", according to Mahmoud Al Sharif of the UAE-based Sharif Group of Companies. In that regard, he underlined the "tremendous scope for growth". The Gulf States (Cooperation Council for the Arab States of the Gulf – GCC) are also working towards a zero-landfill target for reducing plastics wastage by 2040, the delegates learned.

The guest presentation from Vincente Olmos, CEO of Sintac Recycling & Sintac Recycling Systems and Compounds of Spain, agreed that plastics had arrived at "a big moment of change", with the need to focus on recycling "at a local level" after many years in which a large proportion of scrap was dispatched to far-away destinations. Plastic products themselves would have a future only if they were eco-designed, comprised a high recycled content and followed closed-loop collection and recycling systems with full traceability.

Fellow guest speaker Markus Panhauser, COO of FMS Logistics in Germany, focused on the future of shipping and said consolidation among carriers would ultimately lead to less competition and higher freight rates.



Photo: BIR