

To:

Ray Georgeson MBE, Chief Executive, Resource Association, River House, Wharfebank Mills, Otley, West Yorkshire, LS21 3JP

Simon Weston, Director of Raw Materials, Confederation of Paper Industries, Papermakers House, 1 Rivenhall Road, Swindon, SN5 7BD

Simon Ellin, Chief Executive, The Recycling Association, Heritage House, Vicar Lane, Daventry, Northampton, NN1 3DG

Jacob Hayler, Executive Director, Environmental Services Association, 154 Buckingham Palace Road, SW1W 9TR

Cc:

Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State for the Environment and Rural Life Opportunities, Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London, SW1P 3JR

17 October 2017

Dear fellow resource professionals,

Thank you for copying me into the letter you wrote to Resources Minister Thérèse Coffey dated 27 September, asking her to take urgent action on the Chinese government's proposed tighter import controls on waste materials. In the letter you also asked for my considered response which is set out here.

What we know so far

To summarise what we currently know, in July this year China notified the World Trade Organization that it intends to forbid the import of 24 kinds of solid wastes by the end of 2017. The filing with the WTO covers:

- Eight categories of plastics waste (covering LDPE, HDPE, PET, PVC and PS) from living sources (we take this to mean post-consumer)
- One type of paper waste (unsorted mixed papers)
- Eleven types of textile wastes (not clothing)
- And four types of metal slag (containing vanadium).

Following this, in August China announced that it would set new standards limiting all imported recycled materials to a maximum contamination level of 0.3 per cent.

If implemented, these extreme measures would effectively prevent the export of all household plastic packaging for recycling and all mixed paper for recycling from the UK to China. We currently export over one million tonnes of recovered mixed papers and around 180 thousand tonnes of post-consumer recovered plastic packaging to China. These make up around 70 per cent of our mixed paper exports and around 25 per cent of our plastic packaging exports.

We need to consider what we can do, working collaboratively, to respond to the substantial challenges posed by these restrictions and to secure a thriving recycling supply chain for paper and plastics, which benefits the UK both economically and environmentally. For me, any response needs to consider two angles – quality and markets.

Quality is paramount

We all need to recognise that improving the quality of recycled materials is critical to the continued growth and success of the whole recycling supply chain. China and other countries importing recovered materials need to feel confident we are not dumping our waste on them, but providing them with high quality materials that can be used to create value while conserving resources and reducing environmental impacts.

The question of how to deliver consistently high quality recovered materials has been debated repeatedly in recent years, but finding solutions has now become critical in light of China's proposed restrictions. If we want UK recovered materials to be the first choice for foreign and domestic reprocessors and manufacturers who use this content in their goods, then we need both to improve the quality of the materials collected for recycling and the quality of the cleaned and sorted materials put up for sale.

Following the global economic crisis of 2008, quality recovered materials continued to find markets. In this situation too, there will continue to be other potential markets for our

materials, if we can raise our game. We already export nearly as much plastic packaging to other European countries as we do to China, for example. However, other countries will compete with the UK to supply quality secondary plastic packaging materials; and data from the MF portal show that we are not currently producing sufficiently high quality products to compete effectively in the future. If MRF operators can improve their own infrastructure and processes to produce high quality plastics streams, they will be sought after by importers.

Meeting a maximum contamination level of 0.3 per cent for paper exports to China will be very challenging with the systems we currently have in place. Again, data from the MF portal shows that we are currently nowhere near meeting this stringent standard, and it may only be possible to do so with paper that is collected separately. Most players in our sector agree that collecting paper separately from glass is essential to produce a quality product suitable for closed loop recycling. With China taking 75 per cent of our total recovered paper exports we have to question whether single stream commingled collections are fit for the future. We do now have advances in bin technology that mean a three-box system can occupy the same space as a single commingled recycling bin. In this way, we can make it easier for citizens to separate materials for recycling.

Secondary markets

For mixed papers, the market outside China has been extremely limited. If China stops taking mixed papers for recycling, in effect the UK will need to phase out this grade. However, higher quality paper collected separately will continue to find markets in the UK, Europe and further afield (including China). This may mean that we need to change the way we collect and / or sort paper for recycling – separating newspapers from packaging more effectively in the UK.

For plastics, the picture is more complex:

- PET and HDPE plastic bottles already have very strong markets (for example, for food grade bottles, pipes, polyester fibres) and are high value products. If the quality is good and contamination low, they will be easy to sell.
- Similarly PP pots, tubs and trays have good markets (for example, for construction and automotive products).
- The challenge is with PET trays, PS and PVC. The markets for these are very limited.

To address this, we really need to rationalise the polymers we use in packaging to HDPE/PET bottles and PP pots, tubs and trays.

Designing packaging to ensure it is more readily recyclable is one of the goals of WRAP's Framework for Greater Consistency in Household Recycling for England. As you know, we have a cross-sector working group working on a roadmap to deliver this. The China situation makes this work more urgent. The other opportunity, also being promoted in the Framework is to use more recycled material directly in the manufacture of plastic packaging. The recent commitment to use 50 per cent recycled content (even if it costs more) by Coca Cola is very welcome and a great example of the leadership we need to see from others. This cross-value chain collaboration is also at the heart of the New Plastics Economy, led by the Ellen MacArthur Foundation.

I will leave Defra to reply concerning policy measures, but I am sure that their thinking about this will feed into the new Resources and Waste Strategy announced by the Secretary of State in July. Measures such as moving away from simplistic weight-based targets and options for extended producer responsibility could contribute to increasing quality. The call for evidence on Deposit Return Schemes will provide an opportunity to consider whether this approach might have a role to play too.

WRAP would be delighted to convene a round table to bring together key players from across relevant supply chains to identify common solutions. From this, we can develop a shared action plan to ensure we continue to realise economic and environmental benefits through recycling. We need to keep in mind that resource management and recycling avoids around 60Mt CO₂e each year, contributes some £7 billion in GVA to our economy and produces around £3 billion worth of exports of secondary materials.

I look forward to working with you to find solutions to this urgent problem.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M Gover', with a long horizontal flourish extending to the right.

Marcus Gover
Chief Executive, WRAP

Our vision is a world where resources are used sustainably.