

Chinese Market Restrictions FAQs

1. Do these Chinese restrictions mean there is a BAN on any recyclables being shipped to China?

- No – the Chinese Sword is not a complete ban. The Chinese markets have significantly reduced the amount of contamination they permit in paper and plastics loads. For example, the contamination rate permitted for paper, as of January 1st, is now believed to be 1%, but may become as low as 0.05%. Plastic bales have an even lower contamination threshold of 0.5%. Loads of ferrous and nonferrous metals have an allowable contamination rate of 1%.

Many loads from municipalities with single stream collection cannot meet these standards, as most single stream facilities have current contamination rates of ~4% with current technology.

See: <http://www.isri.org/policy-regulations/international-trade/china/2018/01/11/member-alert-china-publishes-final-scrap-import-standards>

2. What materials are affected?

- Mixed paper, mixed plastics, and metal. Mixed paper and plastics are no longer accepted to enter China. Materials are particularly affected when these materials are generated after sorting from a commingled recycling processor.

3. How does the Chinese situation build an argument for Extended Producer Responsibility (EPR) in Alberta?

- EPR shifts the responsibility of the end-of-life of a product to the producer / manufacturer. This means the producer of the product is responsible for ensuring the items and packaging from that item get recycled. Therefore, in provinces with EPR, such as British Columbia, the producers manage the recycling system and it is consistent across the province. This way the producers deal with the processing and marketing of the materials, relieving municipalities of this burden. The producers design a system that ensures efficiency and higher-grade materials that are more widely acceptable on the world market (less contamination) and can better deal with investments in technology, innovation in packaging/products and market development. This is something that municipalities do not have the resources or expertise to do on their own.

4. With the Chinese putting such stringent restrictions on the imports of certain materials, does this mean there is little, or no, market for these materials?

- There are still some domestic markets for paper, plastic, and metal, even some within Alberta. All markets require the material to meet their high quality specifications, and following the Chinese lead, are becoming more stringent on their own acceptance criteria. These domestic markets do however have the economic benefits associated with local jobs and environmental benefits due to avoided longer distances to transport recyclables globally.
- There are over 60 other countries that import a variety of recyclables, and these market options are being actively pursued. Country consumption, grade, quality, and cost of transport are all deciding factors that determine what market makes sense for each program.

5. What can municipalities do to protect themselves from the risks associated with these market restrictions?

- Ask questions and be knowledgeable on where your recyclables are going. If you have a contractor that processes and markets your recyclables, ensure you understand the markets being accessed and your contamination rates. It is important to have checks and balances in place to guarantee your recyclables are being properly recycled and you assist through education in ensuring material has the lowest contamination rate possible.
- Residents often hold the municipality accountable and if you have good statistics and know the facts on where your recyclables are going, answering questions from your residents and the media is far easier. But be careful to always remain factual, and if changes are going to be needed, be realistic to avoid having to reel back overly optimistic commitments made to residents.
- Monitor material quality with weekly bale audits and daily moisture tests. Indoor storage of recyclables is critical to maintaining quality. Knowing your product will maximize your ability to properly sell the material to your customer.
- The most important thing a municipality can do is be realistic with the process of recycling and govern their actions accordingly. The less contamination or non-marketable material in the stream to begin with, the better the chance that materials can be successfully recycled.

6. With these significant market restrictions, does this mean recyclable materials are going to be landfilled?

- Generally, no. Recycling is proven to save energy and resources and residents will continue to demand their municipalities offer effective recycling programs. Alternate markets will continue to be sourced, while sorting technologies and program design are implemented to adjust to changing market demands. Where these practices fail due to inadequate ability to meet the new standards, processors will be forced to alter their methods. Processors cannot afford to landfill materials that are intended to be revenue-positive.
- Some programs, dependent on details such as location, may not have the cost structure or customer partners to adapt quickly enough, and may make incorrect decisions such as storing baled material outside, or not sorting to meet current quality specifications. But, with the correct customer partners and awareness of the changing quality standards, it is very possible to make sure material does not end up in a landfill.
- In the meantime, there may be temporary stockpiling of materials until other markets are found, or the material can be further sorted to reduce contamination.

Looking for key messages to be shared with your residents / community?

- 1. KEEP RECYCLING** – It's important to keep recycling to ensure valuable materials are being collected and recycled. The majority of what is acceptable in the recycling stream (Blue Cart / Bag / Box) is still marketable.
- 2. QUALITY, QUALITY, QUALITY** – Quality is becoming extremely important. Recyclables need to be clean and free of contaminants.
 - Be sure to double check which plastics are recyclable in your municipal program. Some plastics are lesser grade and unfortunately not recyclable at this time. Therefore, double check and make sure you know what types of plastics can go into your Blue Cart / Bag / Box.