

Chinese Market Restrictions FAQs

In 2018 China implemented the China Sword to stop the importation of contaminated materials entering the country for recycling. The following info sheet provides an update on some FAQs and what we have learned about the recycling markets in the past few years.

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 extremely important. Recyclables need to be clean and free of contaminants (including mixed materials and nonrecyclable items or food residue).
 - Be sure to double check which plastics are recyclable in your municipal program. Some plastics are lesser grade and unfortunately not collected for recycling at this time. Therefore, double check and make sure you know what types of plastics can go into your Blue Cart / Bag / Box.

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 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, 2018, 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. No matter where the markets are, we need to ensure there is high-quality material and that we are moving material that is of demand for reprocessing, not simply transporting waste.

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 providing overly optimistic commitments 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.