



China set to ban import of many recyclable materials by 2018

- Beijing notified the World Trade Organization in July that it plans to **ban the import of 24 varieties of solid waste and recyclables**, including types of plastic, unsorted paper, and metals commonly sold by U.S. recyclers.
- The ban is part of a broader Chinese customs program called “Operation Green Fence,” which began in 2013, aims to reduce waste importation and contamination of recyclable materials. The latest phase of this operation is called “**National Sword**,” which increases enforcement and bans the import of many materials.
- Wastes and **recyclable materials are the sixth largest U.S. export to China**. U.S. recyclers, particularly on the west coast, have relied on demand from the Chinese market to sustain their operations.
- The import **ban is set to enter into force by the end of 2017**. If implemented, National Sword’s ban will massively disrupt the U.S. recycling industry, leaving no outlet for many materials mandated by collection programs throughout the United States.

U.S. recycling sustainability has relied on demand from China

- The United States runs a massive trade imbalance with China, and there is little demand at ports for space in shipping containers returning to China. **Historically, the trade imbalance and shipping space has been filled by the solid waste and recycling industry shipping recyclable materials for use by Chinese manufacturers.**
- The dynamic has allowed for a sustainable U.S. recycling industry, which has an abundance of the scrap metal, paper, plastic, rubber and electronics that Chinese recyclers and manufacturers require.
- It’s often much cheaper to ship recyclable materials from the U.S. to China than to transport the same materials a fraction of the distance domestically by road or rail.

Threats and challenges for U.S. recycling

- U.S. recycling will be heavily impacted by China’s import ban. For many materials collected by U.S. recycling programs, sufficient markets and processing capability do not currently exist outside China.
- **U.S. recycling programs mandate the collection of many recyclables, which will have no market value or capability to be processed.** U.S. mills and producers are operating at capacity. The surplus of materials from mandated recycling programs will drive prices for recyclables to historic lows and leave others with no clear destination.
- Markets in China and elsewhere remain for higher grade recyclables and recycled commodities. **The ban presents both an opportunity and a necessity to review curbside recycling**

programs and improve their quality. Communication across the recycling supply chain will be key during the imports ban, extending from collector to end user.

- China's ban on waste and recyclable imports will bring many challenges for the U.S. recycling industry.
- Working together, Oregon's recycling system will survive this challenge.

ORRA believes in recycling!

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