

Press Release

China restricts waste imports – an opportunity for the European economy?

Since the beginning of the year, China has imposed an import ban on 24 types of waste. The consequence: many countries now have to develop their recycling systems further. This is a development from which manufacturing companies can benefit in the long-term: companies that use secondary raw materials in production could make themselves more independent from volatile commodities markets. Landbell Group advises businesses how to best take advantage of this opportunity.

Mainz, March 2018. Since 1st January 2018, the Chinese import ban is imposed on a total of 24 types of waste, including various plastics, textile waste and slag arising from iron and steel production. Countries that have until now exported some of their waste no longer have this opportunity to sell the waste as secondary raw materials to China. In the long run, however, the new Chinese waste policy also presents economic opportunities.

“The import ban, as well as increasing EU-wide recycling rates, will lead to a focus on the development of recycling solutions in individual countries”, says Jan Patrick Schulz, CEO of Landbell Group. The globally active company based in Mainz, Germany, is one of the leading providers of service and consulting for international environmental and chemical compliance. Schulz continues, “In a circular economy, secondary raw materials return to the market as additional resources. Long-term, this means greater security of supply for companies, more stable prices, and it makes them less dependent on imports.”

Recycling – an important topic for German consumers

In Germany, around half of all waste is recycled which is considered a good proportion across Europe and, among the general population, the topic is of great importance. This is confirmed by a consumer survey conducted by Kantar Emnid on behalf of Landbell Group. The results showed that 84 percent of respondents said that recycling was ‘important’ or ‘very important’ to them. At 93 percent, the group with the highest engagement in recycling were those with a net monthly household income of € 2,500 to € 3,000. The topic was least relevant for those with a net monthly household income of less than €1,000. In addition, 64 percent considered the recycling of raw materials as ‘important’ or ‘very important’. Age also plays a role: among those surveyed between the age of 14 to 29, only 16 percent stated that recycling is ‘very important’ for them. However, in the 50 to 59 age group, the number was 57 percent.¹

Regardless of the positive attitude towards recycling, Jan Patrick Schulz still sees growth potential in Germany and other European countries. “Our economy is currently very linear in many areas and not all products are recycled at the end of their lifecycle, but many are disposed of, which destroys valuable materials.” For this reason, companies then have to constantly use new raw materials. As resources become scarcer or delivery bottlenecks

¹ Kantar Emnid, December 2017. 1,004 respondents

occur due to high demand, prices rise for both producers and consumers. However, in a circular economy, this risk could be reduced: waste is recycled, raw materials are returned to the production process and supply on the markets is simultaneously increased by the addition of secondary raw materials.

Bans on imports can strengthen the economy in the long run

China's import ban therefore offers an economic opportunity provided that the affected countries continue to expand their recycling systems. There are currently two major obstacles, which is why many companies still prefer primary raw materials. First, the quality of secondary raw materials often does not meet the high requirements of production. Secondly, the availability of large quantities is presently not guaranteed. Therefore, when expanding recycling infrastructure, in addition to quantitative expansion, technical specifications must ensure a continuous high quality supply of secondary raw materials.

EU creates legal framework for a circular economy

Various policies have already created a legal basis throughout Europe to systematise the return and recycling of products including the EU's Waste Electrical and Electronic Equipment (WEEE) Directive, the Battery Directive and the Packaging Directive. Recently, the EU Commission published its plastics strategy and the EU circular economy package, further improving the framework conditions for a European circular economy. These include new targets for waste reduction and minimum requirements for Extended Producer Responsibility schemes. The plastics strategy even pursues the ambitious goal of recycling all plastic packaging by 2030.

Experts provide advice on individual recycling concepts

The experts at Landbell Group advise companies in more than 40 countries and work with them to develop individual solutions for the circular economy – both nationally and internationally. In addition to take-back systems for various waste flows, this also includes consulting and software solutions to make the corresponding processes within the companies efficient and transparent. International companies in particular benefit from the global approach. "There are fewer and fewer companies that only market their products locally," says Schulz. "Our experts are familiar with regulations and requirements in the respective countries and can therefore optimally advise customers who are active in different regions how to fulfil their legal obligations and take advantage of the opportunities offered by the circular economy."

About Landbell Group

Landbell Group is a leading supplier of international environmental and chemical compliance services and consulting. Since 1995, the company has assisted 25,000 customers in more than 40 countries implement their Extended Producer Responsibility (EPR) and other product and packaging requirements. Furthermore, Landbell supports manufacturers and dealers as a competent partner on the way to a circular economy. In addition to 35 take-back schemes for various waste flows throughout Europe, consulting and software are also part of the portfolio. In 2016, Landbell Group achieved sales of more than 150 million euros.

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