

Notifications G/TBT/N/CHN/1211 and G/TBT/N/CHN/1212 of 18 July 2017 to the WTO Committee on Technical Barriers to Trade

Comments provided by EuRIC

EuRIC*, the European Recycling Industries' Confederation is pleased to provide the following comments on the notifications referenced G/TBT/N/CHN/1211 and G/TBT/N/CHN/1212 made by China. Through its Members National Recycling Federations, EuRIC represents European recycling companies which process waste into quality secondary raw materials meeting specifications and standards for consumption by manufacturing industry.

Notifications to the WTO

EuRIC welcomes the notifications referenced G/TBT/N/CHN/1211 and G/TBT/N/CHN/1212 made by China on 18 July 2017 to the WTO Committee on Technical Barriers to Trade.

- *Procedural aspects*

EuRIC deplores that only two working days – namely from 18 July 2017 until 20 July 2017 – were provided to stakeholders to comment on the notification G/TBT/N/CHN/1211 according to which “*by the end of 2017, China will forbid the import of 4 classes, 24 kinds of solid wastes, including plastics waste from living sources, vanadium slag, unsorted waste paper and waste textile materials.*” Such an excessively short timeframe of 48h to provide comments departs from the principle to respect a reasonable period of time to directly affected stakeholders to provide comments on the proposed measures.

Instead, a period of 60 days which is usually granted to provide comments on notifications should be observed. Respecting a reasonable period of time to provide comments is all the more necessary since i) the potential impacts on global recycling markets of the implementation of trade restrictions by China will likely be substantial and ii) no official English translation was provided together with the notifications of the “Identification Standards for Solid Wastes General Rules” enabling stakeholders to assess precisely the magnitude of the trade restrictions announced.

- *Substantive aspects*

EuRIC, as a responsible industry body, promotes responsible and high quality recycling which turns waste into secondary raw materials meeting quality standards and/or industry specifications for consumption by manufacturing industry worldwide, thus contributing to the circular economy globally. The European recycling industry has made the necessary investments to deliver such high quality scrap/secondary raw materials. Free trade of secondary raw materials contributes to substitute virgin raw materials to manufacture new goods across and thus to reduce energy consumption and CO2 emissions thanks to proven environmental benefits brought by recycling.

EuRIC condemns illegal waste shipments and makes a clear distinction between low quality unprocessed waste imports, which can have adverse impacts on human health and environment, and supported high quality processed waste used as secondary raw materials for manufacturing. EuRIC is substantially concerned that the trade restrictions in the form of an import ban of certain solid wastes announced by China will not solely legitimately tackle “dirty wastes or even hazardous wastes” as well as illegal shipments, referred to in the notification G/TBT/N/CHN/1211 but also affect quality secondary raw materials meeting industry specifications and/or standards for consumption by manufacturing industry or direct uses.

For example, we understand that China will impose a 0,3% limit for non-target materials applicable to mixed paper. This proposed threshold is significant lower than the thresholds set in the European Standard EN 643 listing the various grades of valuable recovered paper and board, which is considered as being stringent. Using OCC (cardboard) as an example, for which the standardised limit for non-target materials is 1,5% – previous analysis has shown that non-target elements usually occurring such as tape, staples, labels, plastics liners and plastic wrapping will exceed 0.3%. This type of non-target materials causes no harm to the environment and causes no problems in the papermaking process where it is easily removed in the process. A 0,3% limit for non-target materials, if imposed, will in most if not all cases result, in practice, in banning the import in China of valuable recovered paper which is used as a secondary raw materials to make new paper by paper mills in China.

EuRIC is equally concerned about the negative impacts the trade restrictions announced by China on waste impacts can have on companies which have obtained export permits issued by the Chinese Government - known as AQSIQ licenses – for a three-years period. These licenses impose paid controls on European sites supervised by Chinese representatives and thus offer a controlled level of quality. By delivering quality secondary raw materials, these operators help to meet the needs of the Chinese manufacturing industry and hence contribute to the economic development of China. Should companies meeting the conditions of export permits be affected by the trade restrictions announced by China, this would breach at least legal certainty and legitimate expectations that operators have to do business with China.

EuRIC invites China:

- To grant to stakeholders directly affected by the announced trade restrictions in the form of an import of certain solid waste a reasonable period of time to comment on these measures;
- To enable stakeholders to precisely assess the likely impacts of the announced trade restrictions by providing an official English translation of the amendments made to legislation to implement the announced trade restrictions;
- To refrain from implementing trade restrictions which:
 - ✓ Do not respect export permits obtained from operators who comply with the conditions set in it and might discriminate between domestic and imported secondary raw materials meeting industry specifications and/or standards;
 - ✓ Adversely impact imports in China of quality secondary raw materials meeting industry specifications and/or standards for consumption by manufacturing industry and thus contribute to the global circular economy;
 - ✓ Are applied abruptly and not gradually which would adversely impact the well-functioning of market for secondary raw materials meeting industry specifications and/or quality standard since this will further unlevel the playing field with primary raw materials and hence be detrimental to a global circular economy;
- To respect relevant free trade principles / agreements between the People's Republic of China and the EU as well as WTO rules.

Comments on the Notification G/TBT/N/CHN/1212 of 18 July 2017 to the WTO Committee on Technical Barriers to Trade regarding 'Identification Standards for Solid Wastes General Rules'

EuRIC supports the comments made by BIR, the Bureau of International Recycling, in its letter dated 23 August 2017 and addressed to the competent Authorities of the People's Republic of China on the Notification G/TBT/N/CHN/1212 of 18 July 2017 to the WTO Committee on Technical Barriers to Trade regarding 'Identification Standards for Solid Wastes General Rules'. These comments are annexed for easy reference.

EuRIC thank you very much for considering these comments and is readily available to constructively work towards solutions which meet the highest standards in terms of health and environmental protection and promote the free trade and use of quality secondary raw materials which brings proven benefits for the environment and economic development.

EuRIC* - *The European Recycling Industries' Confederation* is the umbrella organisation for recycling industries. Through its Member Federations from 20 EU & EFTA countries, EuRIC represents across Europe over:

- 5,500 companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;
- 300,000 local jobs which cannot be outsourced to third EU countries;
- An average of 150 million tons of waste recycled per year (paper, metals, glass, plastics and beyond);

Recyclers play a key role in a circular economy. By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again

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