



WASHINGTON REFUSE & RECYCLING ASSOCIATION

China's National Sword Policy

Updated 6.5.18

- China launched a customs program called “**Operation Green Fence**” in 2013, aimed at increasing environmental quality by reducing waste importation and contamination in recyclable materials. China instituted a customs crackdown on waste importation called “**National Sword**” in 2017. The latest phase, called “**Blue Sky 2018**,” is a 10-month long period of ‘special actions against foreign garbage smuggling’. **As a result of these policies, China banned the import of many recyclable materials on January 1, 2018, and lowered the contamination rate for recyclables not covered by the ban to 0.5%.**
- China notified the World Trade Organization in July 2017 that it planned to **ban the import of at least 24 varieties of solid waste and recyclables, including mixed paper, plastics 3-7, metals, and other materials commonly collected by U.S. recycling programs.** In April 2018, China announced a ban on 32 additional varieties of recyclable materials to enter into effect by the end of 2018.
- **China has also imposed a new 0.5% contaminant limit for the remaining recyclable materials not covered by the ban.** A typical permitted recycling facility (Material Recovery Facility or MRF) achieves contaminant rates of 3-5%. The new limit is far below any existing international standard and all but unachievable with current equipment and system costs.
- **China is the largest manufacturing nation in the world and the single largest consumer of recyclables. Recyclable materials are the sixth largest U.S. export to China.** U.S. recyclers have relied on demand from the Chinese market and low shipping rates to China. Other markets exist, but shipping prices are much higher and the markets are much smaller. In Jan-Feb 2017, the U.S. exported 4.67 million tons of paper and 1.23 million tons of plastics to China. For Jan-Feb 2018, exports fell to 2.51 million tons of paper and just 10,000 tons of plastic. Chinese plastic imports are expected to fall by 95% from 2017 levels. Economies around the world are growing, but **there is no country or combination of countries that can consume the amount of material China has historically imported for manufacturing.**
- **U.S. recycling is facing a time of challenge and uncertainty.** Recycling requires an end market for recyclable materials. China further disrupted markets by halting the import of ALL recyclables from May to June. Alternate markets have also been disrupted following China’s ban, ports are overflowing and supply is at an all-time high. In May, Vietnam suspended recyclable plastic imports and Indonesia issued a 100% pre-shipment inspection policy for recovered fiber to reduce contamination. Other countries are expected to adopt similar restrictions and add even more uncertainty for markets.
- **The Chinese Market is unlikely to return in the near term.** National Sword is part of a broader effort by the Chinese government to reduce pollution and China continues to ban additional materials. China has not renewed the import licenses of many facilities. For example, China issued 2,937 import permits in the first batch of 2017 permits. China issued only 108 import permits in the first round of 2018, and many facilities in China will likely close. Some Chinese recyclers and manufacturers are relocating to other countries, but this process will take years.
- **As a result, there is continuing market uncertainty even for materials not covered by the ban.** China is now conducting strict inspections of recyclables at U.S. facilities. Even materials that meet the new 0.5% contaminant threshold will still be rejected if any banned material is found. For example, an entire shipment will be disallowed if a single bottle with dried juice inside is found during an inspection of materials that otherwise meet the 0.5% threshold. This includes not only the bale or container inspected, but the entire shipping allotment of 10 or more shipping containers, all rejected due to one prohibitive.
- **U.S. recycling programs currently mandate the collection of many recyclables covered by the ban and many other materials which contaminate the recycling stream.** The surplus of materials from mandated recycling programs has driven prices for recyclables to historic lows and left others with no clear processing and manufacturing destination. For



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Washington State's Solid Waste Managers Want to Clean Up Recycling

They want us all to get back to basics, so they set up a taskforce to help get us there.

Ellensburg, WA (April 16, 2018) - The Washington Association of County Solid Waste Managers (WACSWM) held a statewide meeting in Ellensburg April 11 and 12 to discuss issues related to solid waste and recycling.

This year, industry partners in Washington have been meeting to discuss the impacts of the ban on certain recyclable material exported to China. Originally called the "China Sword", as China drastically reduced the types and amounts of recyclable materials being imported into their country. The recyclable materials leaving the United States have a contamination level that has become unacceptable to China.

As the solid waste managers met, they unanimously agreed to step up actions to address this issue. They plan on creating a task force with members from King, Kitsap, Klickitat and Island Counties.

"It is great to have a group of local government professionals meet to discuss solid waste and recycling issues that impact the entire state. It is through our discussion and understanding that we are better positioned to help problem solve for all of the communities we serve," said Matt Zybas, Solid Waste Manager, Snohomish County.

WACSWM released this statement:

*"The Washington Association of County Solid Waste Managers want to clean up our recyclables. Over time, contamination has grown, and we have lost the focus on the **Reduce** and **Reuse** actions of waste reduction. As County Solid Waste Managers, we will invest the time needed to get back to the basics. At our statewide meeting April 11 and 12 in Ellensburg, we took formal action to create a taskforce; To work with partners to create a unified outreach message and to work on a coordinated standard recyclables list as a baseline best management practice."*

Ruby Irving, Solid Waste Director for Klickitat County, praised the work of the Solid Waste Managers, "I am so glad we are coming together as a united front, and I for one feel that it was a great success!"

WACSWM will be reaching out to our state agency, other local government and industry partners to create synergies around cleaning up our state's recyclables to impact real change within Washington and for our export partners.

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