

BLOG

A Year after China's National Sword Policy, U.S. Recycling Shows Some Progress

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Last year, we wrote [a blog](#) on how China's "National Sword" policy left the U.S. recycling market in a precarious position with no place to export the nearly 4,000 shipping containers of recycling waste sent from the U.S. to China every single day. A year and a half later, we wanted to look at out how the market has fared. What changes, if any, has China's position affected in recycling policies around the country? And what can we expect in the near future for recycling?



China's National Sword Policy

For the past 25 years, American materials recycling facilities (MRFs) relied on being able to sell most of their plastics and other recyclable waste to China's processing plants, and for a healthy profit. Globally, China took in almost half of the world's recyclable waste. This trade relationship was mutually beneficial, but it also stifled the development of recycling infrastructure, from the U.S. to Europe to Australia.

On Jan. 1, 2018, China implemented its "National Sword" policy, which placed strict restrictions on acceptable contamination levels for waste material. They were no longer taking everyone's dirty plastics. Countries around the world felt the immediate repercussions. Instead of selling their waste, they were faced with less attractive options: toss their recyclables into landfills, incinerate them, or find new markets willing to take them.

In Europe, incinerating plastic waste became more widespread, despite studies that show it releases harmful pollutants into the environment. [England](#) alone burned 665 million more tons of plastic and other garbage last year than it did in the previous year. Australia is struggling to handle 1.3 million tons of additional waste.

Across the U.S., as bundles of recyclables piled up in parking lots or got tossed into landfills, many towns have been hit hard by the rising costs to haul away waste. [Some areas](#) even suspended curbside pickup of recyclables altogether.

Municipalities Need to Renegotiate Contracts

China's policy has hit waste and recycling company's hard as the cost of recycling has continued to climb,

and profits have fallen. Towns and municipalities have also been caught up in the shift.

In the past, waste and recycling companies were locked into long, five- and 10-year contracts with the towns they service. After China's policy was enacted, those companies had to charge towns more and re-bid on existing contracts.

Waste and recycling companies are usually required to put up an annual bond on their five- and 10-year contracts that towns could draw down if the company walked away. Those companies had to indemnify the bond. Many towns have really had to come around and realize they had no choice but to re-negotiate existing contracts with their waste companies.

Other Solutions in the Works

While the immediate consequences of the China's policy have been grim, it has definitely raised awareness around the world to the challenges of recycling. And we're starting to see some positive changes, albeit slowly.

According to a recent report in [YaleEnvironment360](#), "Several U.S. materials recovery facilities are expanding operations, upgrading equipment, and adding workers to improve sorting and reduce contamination so that the materials are acceptable to more discerning buyers." Larger cities, in particular, have been able to ramp up their sorting processes faster to meet stricter contamination standards and find markets willing to accept their waste.

We're also starting to see the development of [new technologies](#), such as high-speed optical sorters, ballistic separators and non-wrapping screens, to improve how material is sorted. As far as finding new markets, particularly in Southeast Asia, it's a long road ahead as countries grapple with their own issues around acceptable contamination and illegal dumping.

Legislation can also go a long way in curbing the use of plastics and other hard-to-recycle materials. Just last month, Maine became the first state to [ban Styrofoam](#) foam containers.

But change needs to come from all sides. No longer can we just assume that waste is a problem that disappears when a garbage truck hauls away the contents our blue bins from the curb. We are a single-use culture that needs to change its mindset. Towns and municipalities have started to share the fiscal burden by working with their waste companies on solutions. More and more corporations are vowing to reduce waste. But the biggest change will have to come from people when they understand the global, financial and environment costs of their recycling bins.

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