

The fast-growing plastic recycling industry

Detail Introduction :

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In 2020, China's National Development and Reform Commission and the Ministry of Ecology and Environment jointly issued a proposal to develop and promote plastic products and alternative products that are recyclable, easy to recycle, and degradable. And new business models and models of recycling and reducing plastic pollution, and a clear timetable for banning and restricting the use of plastic products. As soon as the policy was launched, it was called an upgraded version of the "plastic restriction order" in the industry, which caused extensive discussion.

What changes will the introduction of the "plastic limit order" bring to the market? How will it affect the future market development of the plastic recycling industry?

A market full of development potential

What can waste plastic be reprocessed into? After the waste plastic enters the factory, it can be processed into PET bottle flakes and granules of different grades after cleaning, purification, slicing, granulation and other processes, which are sold to the PET industry and non-food-grade PET bottle making. It is reported that the carbon emissions generated by the production process of recycled plastics are only about 1/30 of those of virgin plastics.

In 2019, its global production capacity of recycled plastic particles reached 500,000 tons, operating 32 factories in 12 countries and regions, 6 of which can provide food-grade recycled plastic products, providing safe, reliable and traceable recycled packaging materials for food and beverages .

According to The New Plastics Economy by the Ellen MacArthur Foundation, 20 times as much plastic is used today as it was more than 50 years ago, yet only 14% of plastic packaging is collected. According to this trend, by 2050, the total weight of plastic in the ocean will likely exceed that of fish. According to reports, in 2018, the global plastic production reached 359 million tons, but the recycling rate was less than 10%. In China, in 2018, the total output of enterprises above designated size in the national plastic products industry was 60.4215 million tons, and the recycling rate also did not exceed 20%. Various pollution problems caused by plastics are driving governments and enterprises to pay attention to the issue of waste plastics, try to reshape the global plastics system, and upgrade the supervision of plastic products.

In terms of "plastic restriction", the EU started early in policy design and made a lot of useful explorations. In early 2018, the European Union announced a plan to recycle plastic packaging, calling for the end of the use of plastic products, including single-use coffee cups, by 2030. The European Commission said it hopes to increase the recycling rate of plastic packaging through the program to ensure that all plastic packaging can be recycled or reused by 2030. In July this year, the EU Extraordinary Summit approved the EU's 2021-2027 budget, requiring the introduction of a "plastic packaging tax" from 2021.

Under the influence of the global "plastic limit" trend, major companies in the global plastic consumer goods value chain are determined to reduce the amount of plastic waste generated. In January 2019, nearly 30 multinational companies, including Veolia, BASF, Dow Chemical, Exxon Mobil, Procter & Gamble, Mitsubishi Chemical, etc., jointly announced the establishment of the Alliance to End Plastic Waste (AEPW) to eliminate environmental pollution. of plastic waste, especially in the oceans, has pledged about \$1 billion to \$1.5 billion over 5 years to promote plastic recycling.

The developing industry chain

The Chinese government has made many breakthroughs in plastic industry policies in recent years, which has positive strategic significance for promoting the development of the domestic white

resource recycling industry, is conducive to promoting the establishment and improvement of the domestic closed-loop plastic industry chain, and has a profound impact on the layout of the entire industry chain. .

The source of the industrial chain is waste plastics. Although China is the world's largest plastic producer and consumer, for many domestic plastic recycling companies, waste plastics used to rely on imports. According to domestic media reports, the world discharges about 15 million tons of plastic waste every year, nearly half of which are exported to China.

At the same time, at the other end of the industrial chain, in addition to internationally renowned brands of daily chemicals, food and beverages, which use recycled plastic products in large quantities due to considerations of sustainable development, there are also more and more domestic enterprises. Under the influence of the "plastic restriction order", we began to pay attention to and try to improve the recyclability of plastics. From the source to the end, the domestic plastic recycling industry chain is making up for the shortcomings and developing rapidly.

However, compared with the European Union and other regions where the circular economy industry started relatively early, China's plastic recycling market is still in the early stage of development and requires greater R&D investment and policy support.

For example, with the advancement of domestic plastic recycling technology, recycled plastics are already very close to virgin materials in quality. Some domestic factories already have the technical ability to produce food-grade recycled plastics. China should fully learn from the experience of foreign developed countries, encourage the formulation and application of standards related to recycled plastics, increase support for the waste plastic recycling industry from the perspective of policies and regulations, and flexibly formulate measures such as industry subsidies and tax incentives to promote the rapid development of the industry .