

Toward a Global Plastic treaty:

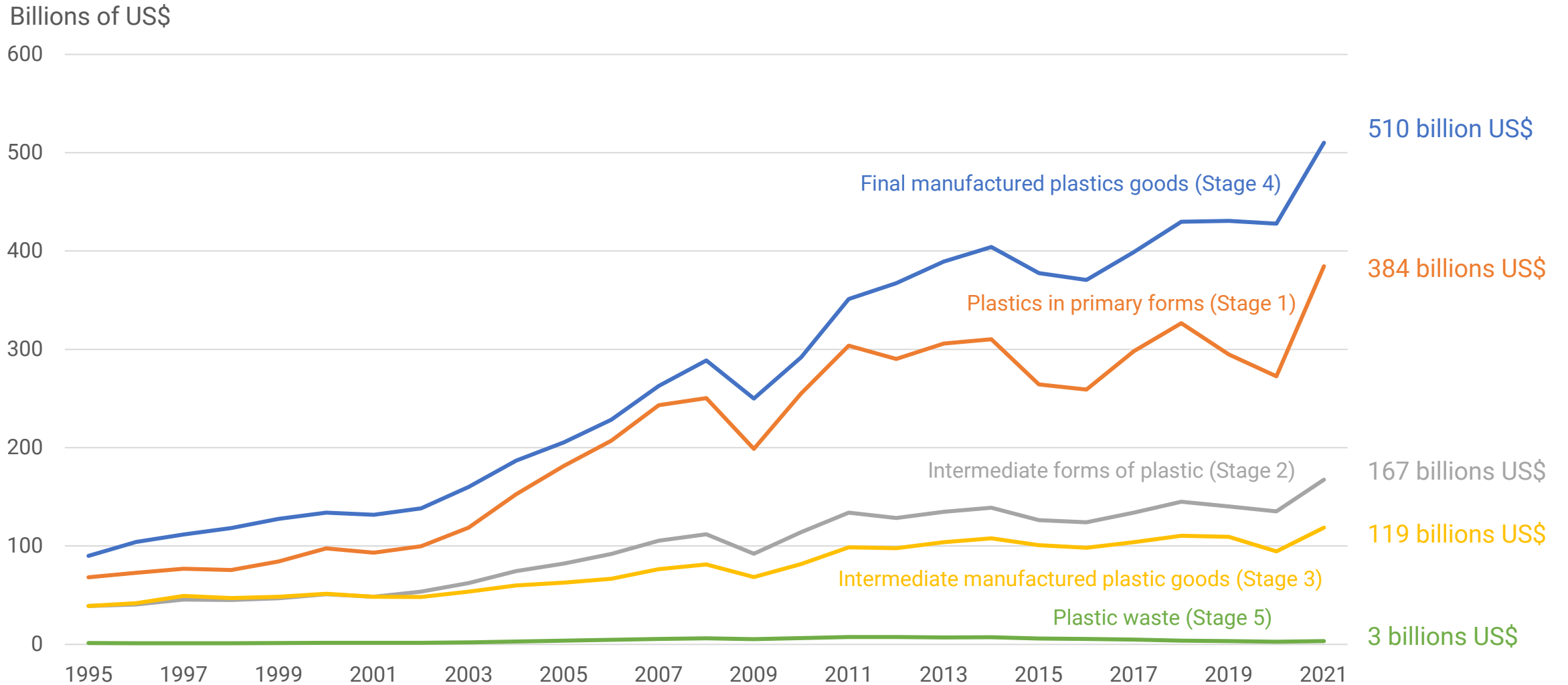
Global trends in plastics trade, control measures and new opportunities for material substitutes

David Vivas Eugui, Diana Vivienne Barrowclough, Anu Peltola and Henrique Pacini

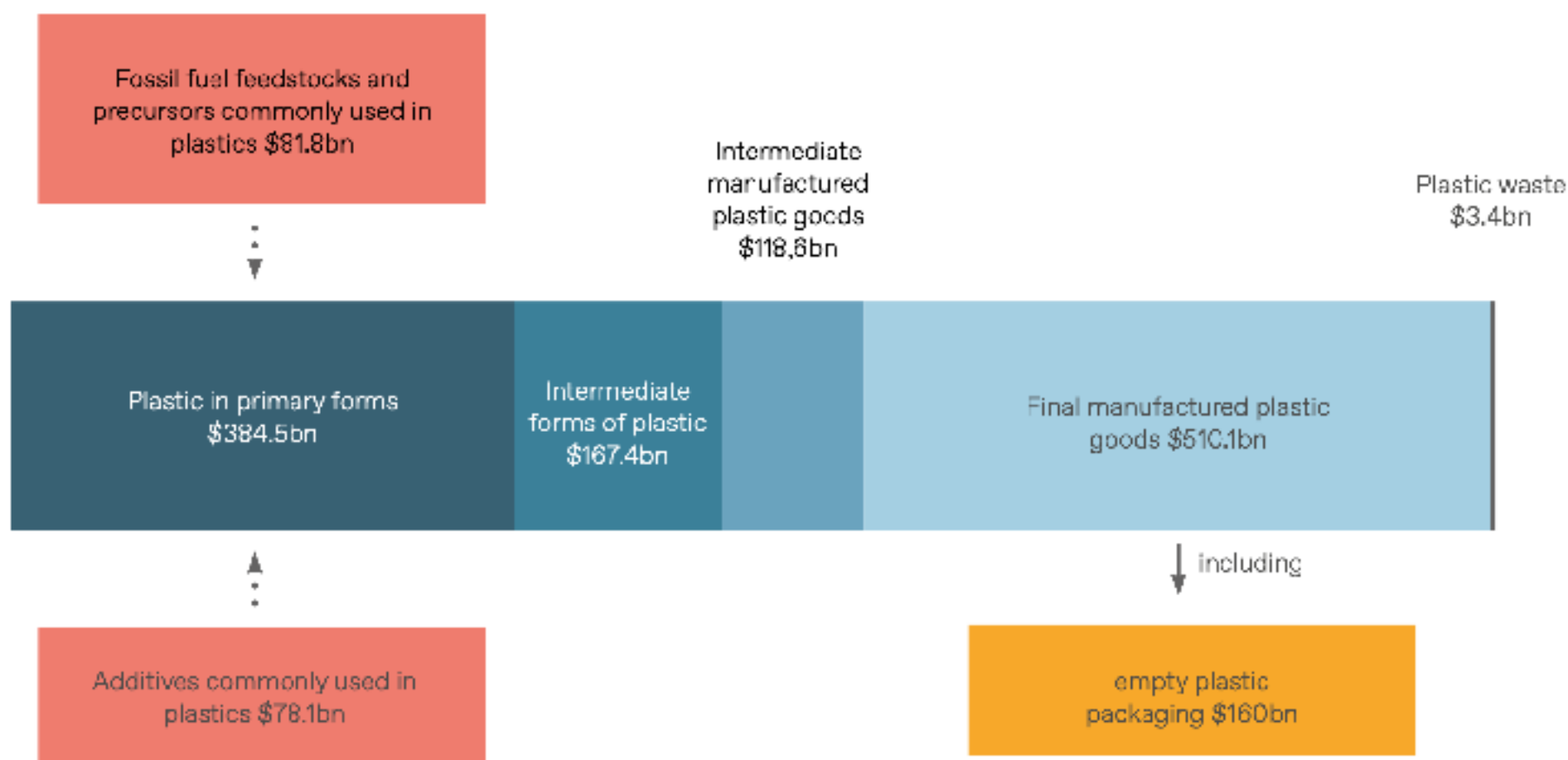
Trade, Environment, Climate Change and Sustainable Development Branch,

United Nations Conference on Trade and Development

Why we need a treaty. **Trade in plastics** is a big and growing business; virtually no countries are untouched; 75% of plastics becomes waste.



Trade Flows Across the Life Cycle of Plastics (2021)



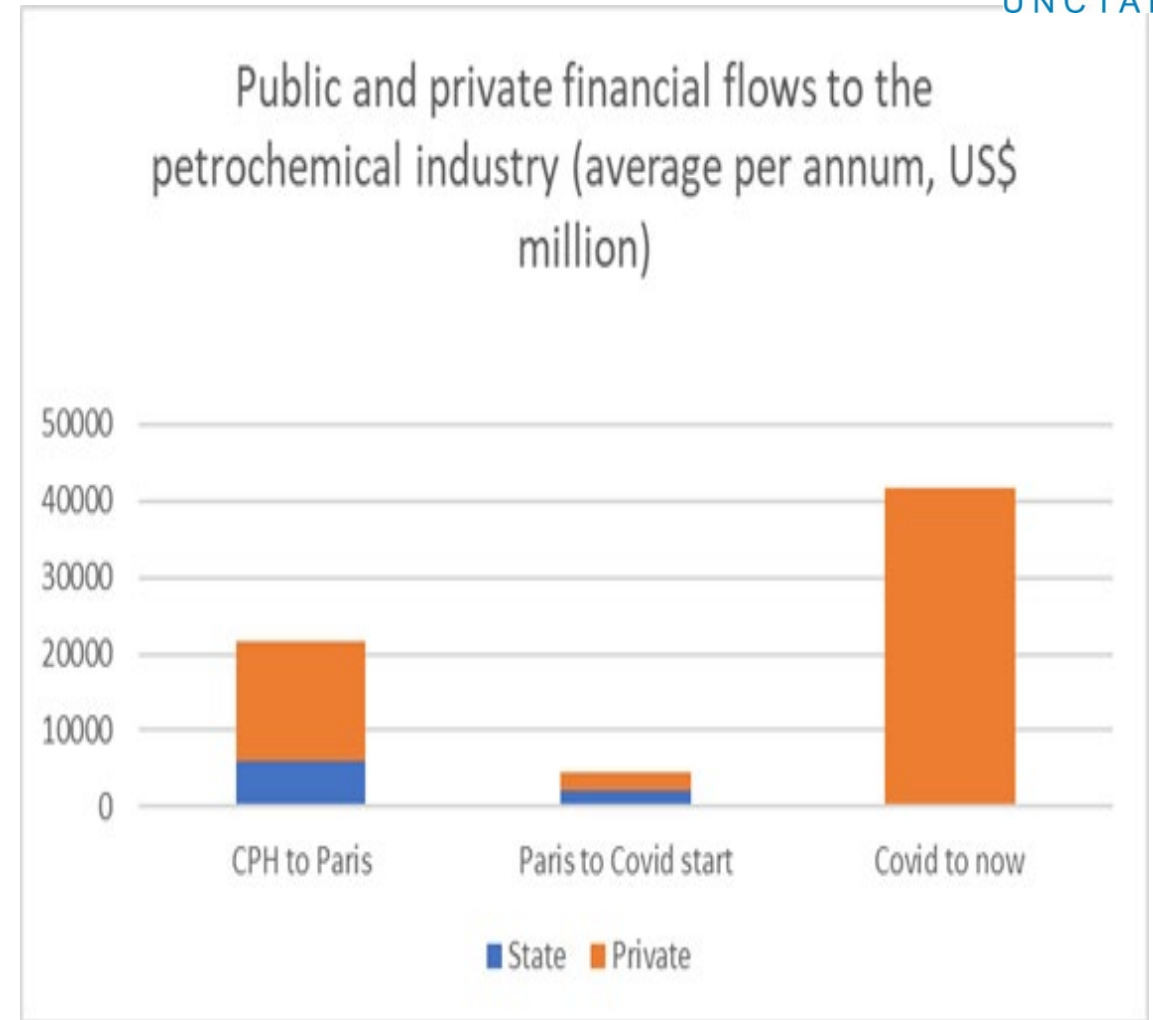
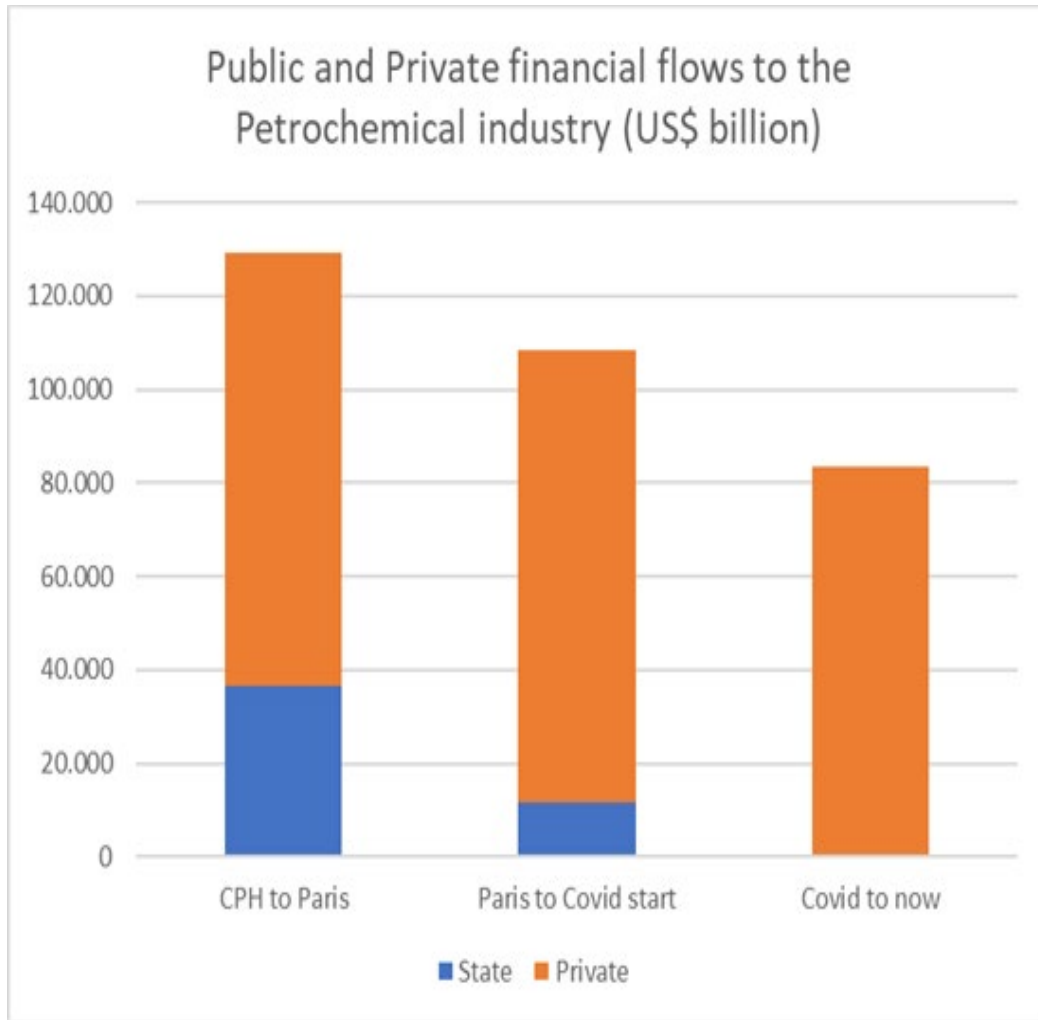
Plastics Trade Database

TESS Forum on Trade, Environment, & the SDGs

(excluding millions of additional tonnes of hidden plastics embedded in products, used in pre-packaged products or for distribution and transportation not revealed by trade statistics)

Note: Feedstocks, precursors, and additives are inputs used in plastic production and processing. The values noted in this figure are for the total amount of trade, recognizing that not all of the trade of all of the products included in those values will be destined for use in plastics. Empty plastic packaging is included in the value for final manufactured plastic goods.

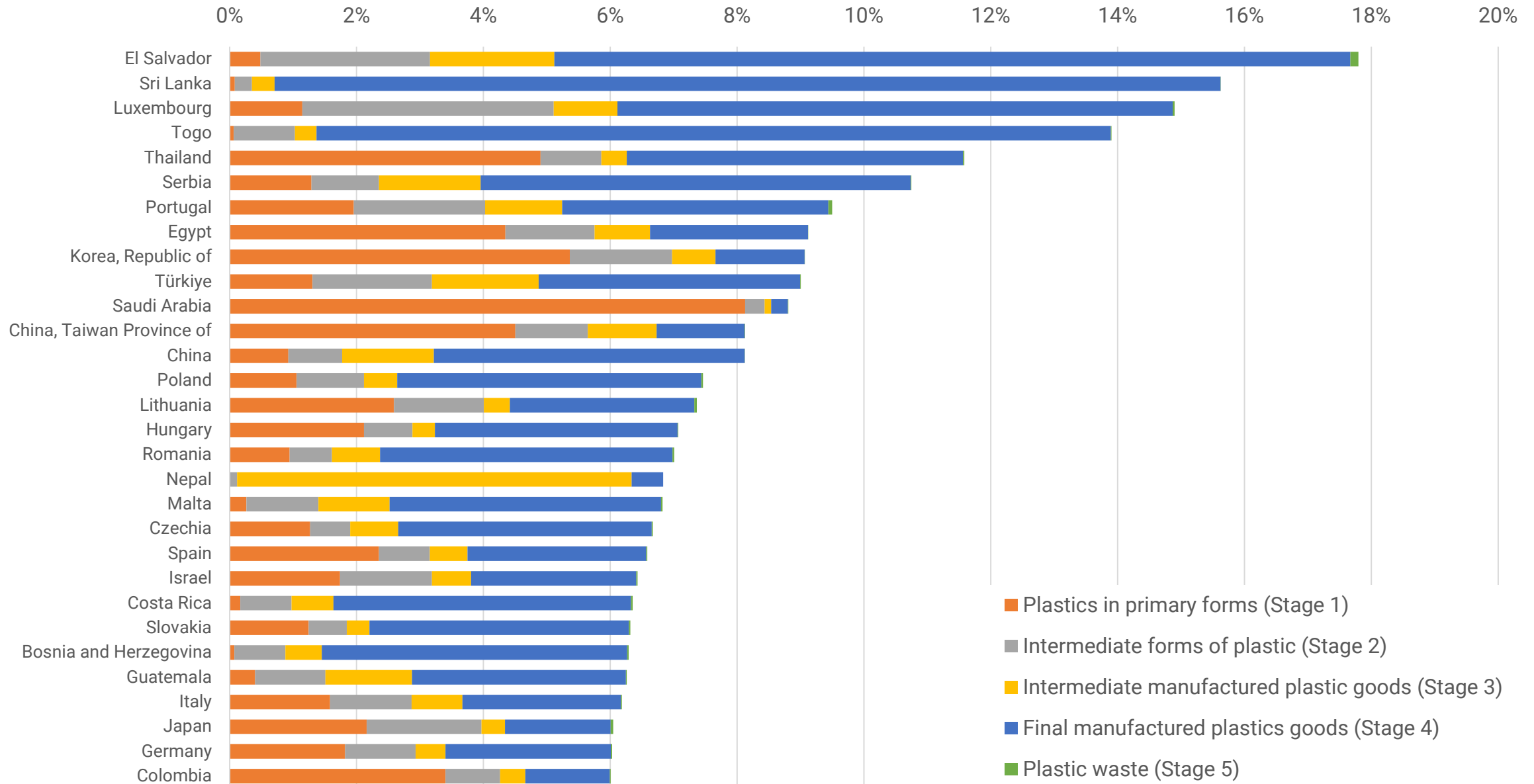
Set to keep growing? Big money is still going into plastic, despite Greening pledges and seeming positive moments: tracking Copenhagen-Paris-Covid-period finances.



Source: Barrowclough and Finkill (2021), Banks Bonds and Petrochemicals. Greening the Path from Copenhagen... https://unctad.org/system/files/official-document/ser-rp-2021d12_en.pdf

Share of plastics trade in total merchandise exports, 2021

(Only countries where plastics represent more than 6% of global exports)



CONTROL AND MITIGATION MEASURES ACROSS EACH STAGE OF THE PLASTICS VALUE CHAIN

Control measures applicable to plastics are being discussed as one of the main **tools for a legally binding instrument on plastic pollution**, including in the marine environment. This table summarizes several options, **covering both trade / border measures and internal market measures**, which can be adopted by countries. Control measures can help steer economies away from harmful, problematic, single-use plastics and at the same time help to promote more sustainable material substitutes and alternatives.

RAW MATERIALS



Hydrocarbons

UPSTREAM



Polymer pellets

MIDSTREAM



Products and parts

DOWNSTREAM



Plastic waste or residues






RECOVERY



From land or water bodies

		RAW MATERIALS	UPSTREAM	MIDSTREAM	DOWNSTREAM	RECOVERY
TRADE / BORDER MEASURES	TARIFFS	<ul style="list-style-type: none"> Preferential or higher tariffs on certain goods. 	×	×	×	×
	IMPORT BAN (QR)	<ul style="list-style-type: none"> Import ban on imports of single-use plastics causing persistent pollution. 			×	×
	IMPORT QUOTAS (QR)	<ul style="list-style-type: none"> Limitations on imports of single-use plastics. 	×	×	×	×
	IMPORT LICENSES (ILP)	<ul style="list-style-type: none"> Import licenses for recyclable plastic waste; Import licenses for plastic bag components to avoid circumventing. 		×	×	×
	EXPORT BAN	<ul style="list-style-type: none"> Export ban of polymers, products or scrap material to destinations with limited capacity to process end-of-life materials. 		×	×	×
	EXPORT QUOTAS	<ul style="list-style-type: none"> Limits on specific polymer or scrap material exports. 		×		×
	EXPORT LICENSES	<ul style="list-style-type: none"> Adherence to Basel plastic waste amendments / PIC procedure. 				×
	EXPORT TAXES	<ul style="list-style-type: none"> Explicit tax or via state marketing boards. 				×
	TRADE DEFENSE TOOLS	<ul style="list-style-type: none"> AD/CVD applied to plastics; Peace clause so not to apply AD/CVD on material substitutes. 	×	×	×	×

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		 Hydrocarbons	 Polymer pellets	 Products and parts	 Plastic waste or residues	 From land or water bodies	
INTERNAL MARKET MEASURES	MONETARY AND ECONOMIC INSTRUMENTS	<ul style="list-style-type: none"> Environmental or chemical taxes applicable to plastics; Packaging and recycling fees; Preferential tax treatment to alternatives/substitutes. 	×	×	×	×	×
	PUBLIC PROCUREMENT <small>-not including public hydrocarbon enterprises-</small>	<ul style="list-style-type: none"> Government procurement favouring goods with recycled content; Procurement of plastic depollution services. 			×		×
	SUBSIDIES TO SERVICES	<ul style="list-style-type: none"> Direct grants to R&D; Subsidies for recycling or decontamination services imports. 	×	×		×	×
	REMOVAL OF SUBSIDIES TO GOODS	<ul style="list-style-type: none"> Removal of subsidies to fossil fuels; Remove subsidies from polymer pellets. 	×	×			
	OPERATION LICENSES	<ul style="list-style-type: none"> Authorize operation for polymer production or recycling/recovery services of sufficient quality. 	×	×	×	×	×
	LABELLING (TBT)	<ul style="list-style-type: none"> Labelling requirements clearly indicating polymer and recycled content; Proper labelling requirements of recycled plastic scrap trimmings or pellets. 		×	×	×	
	INVESTMENT REGULATIONS	<ul style="list-style-type: none"> Authorize operation for polymer production or recycling/recovery services of sufficient quality. 	×	×		×	×
	SERVICES LIBERALIZATION & REGULATION	<ul style="list-style-type: none"> Plastics decontamination services liberalization; National plastic waste management frameworks. 					×
	EXTENDED PRODUCER RESPONSIBILITY	<ul style="list-style-type: none"> Deposit schemes; Take-back programmes. 				×	
	DESIGN AND QUALITY STANDARDS (TBT)	<ul style="list-style-type: none"> Exclusion of any hazardous chemicals; Minimum thickness, reusability, mono-material requirements; Durability. 	×	×	×	×	
	INTERNAL PRODUCTION AND COMMERCIALIZATION BANS OF PLASTIC PRODUCTS				×	×	
	CERTIFICATION AND CONFORMITY ASSESSMENT (SPS/TBT)			×	×		
	RECYCLING TARGETS (ADM)					×	×
MEASURING, MONITORING AND MAPPING OF PLASTIC LITTER (ADM)					×	×	



UNITED NATIONS
UNCTAD

The distinction between plastic substitutes and plastic alternatives

Plastics substitutes are natural materials that have similar properties to plastics, while plastic alternatives include bioplastics or biodegradable plastics.

Plastic substitutes	VS	Plastic alternatives
Mineral, plant, marine or animal	ORIGIN	Bioplastics or Biodegradable plastics
Recyclable, reusable, biodegradable, compostable, or erodable	PROPERTIES	Recyclable, biodegradable, or compostable (end of life)
Should have lower environmental impact along their life cycle	IMPACT	Should have lower GHG lifecycle emissions when compared to plastics
Should not be hazardous for human, animal or plant life	SAFETY	Should not be hazardous for human, animal or plant life
Non-plastics		Better plastics

Source: UNCTAD Vivas Eugui & Pacini (2022). UNCTAD, based on presentation on plastic substitutes HS codes, Life-cycle analysis and tariffs considerations. WTO Dialogue on Plastics.



HS Chapter	Description	Number of 6-digit HS Codes
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, n.e.c.	1
05	Animal originated products; not elsewhere specified or included	3
07	Vegetables and certain roots and tubers; edible	8
08	Fruit and nuts, edible; peel of citrus fruit or melons	2
11	Products of the milling industry; malt; starches; inulin; wheat gluten	3
12	Oil seeds and oleaginous fruits, ..., industrial or medicinal plants; straw and fodder	7
13	Lac; gums, resins and other vegetable saps and extracts	4
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	4
15	Vegetable waxes (other than triglycerides); whether or not refined*	1
17	Sugars and sugar confectionery	2
20	Preparations of vegetables, fruit, nuts or other parts of plants	1
23	Food industries, residues and wastes thereof; prepared animal fodder	4
28	Inorganic chemicals; organic and inorganic compounds of precious metals...	2
29	Organic chemicals	2
32	Glass; glass frit and other glass, in the form of powder, granules or flakes*	1
39	Cellulose; Natural polymers...	5
40	Rubber	4
41	Raw hides and skins (other than furskins) and leather	12
42	Articles of leather,....articles of animal gut (other than silkworm gut)	1
44	Wood and articles of wood; wood charcoal	43
45	Cork and articles of cork	7
46	Manufactures of straw, esparto or other plaiting materials; basketware...	8
47	Pulp of wood or other fibrous cellulosic material; recovered (waste and scrap)...	17
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	31
50	Silk	10
51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric	25
52	Cotton	3
53	Vegetable textile fibers; paper yarn and woven fabrics of paper yarn	19
54	Man-made filaments; strip and the like of man-made textile materials	4
56	Wadding, felt and nonwovens, special yarns; twine, cordage, ropes and cables...	4
57	Carpets and other textile floor coverings	1
63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	2
67	Feathers and down, prepared; and articles made of feather or of down	1
68	Stone, plaster, cement, asbestos, mica or similar materials; articles thereof	1
69	Ceramic products	4
70	Glass and glassware	9
76	Aluminium and articles thereof	17
94	Furniture,... not elsewhere specified or included	4
95	Toys, games and sports requisites; parts and accessories thereof	4
96	Miscellaneous manufactured articles	1

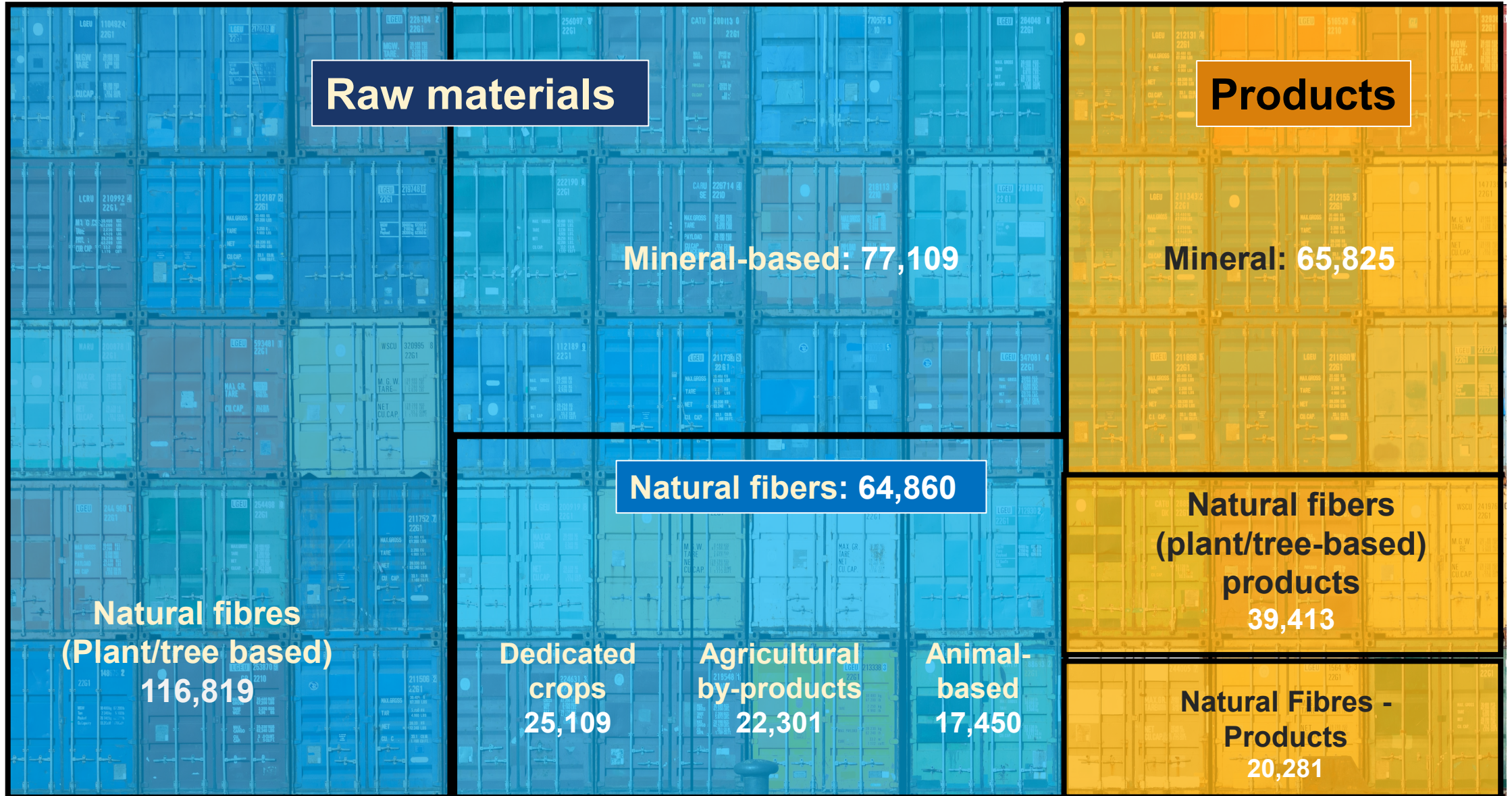
Reducing plastic use is the best way to prevent it becoming waste or hazardous waste. Substitutes can contribute significantly to this aim. A mapping of HS codes of potential plastic substitutes resulted in...

282 HS codes identified
(6-digit)



Trade value of plastics substitutes

Export represented \$388 billion, approximately 2/3 represents exports of raw materials (\$258 billion)

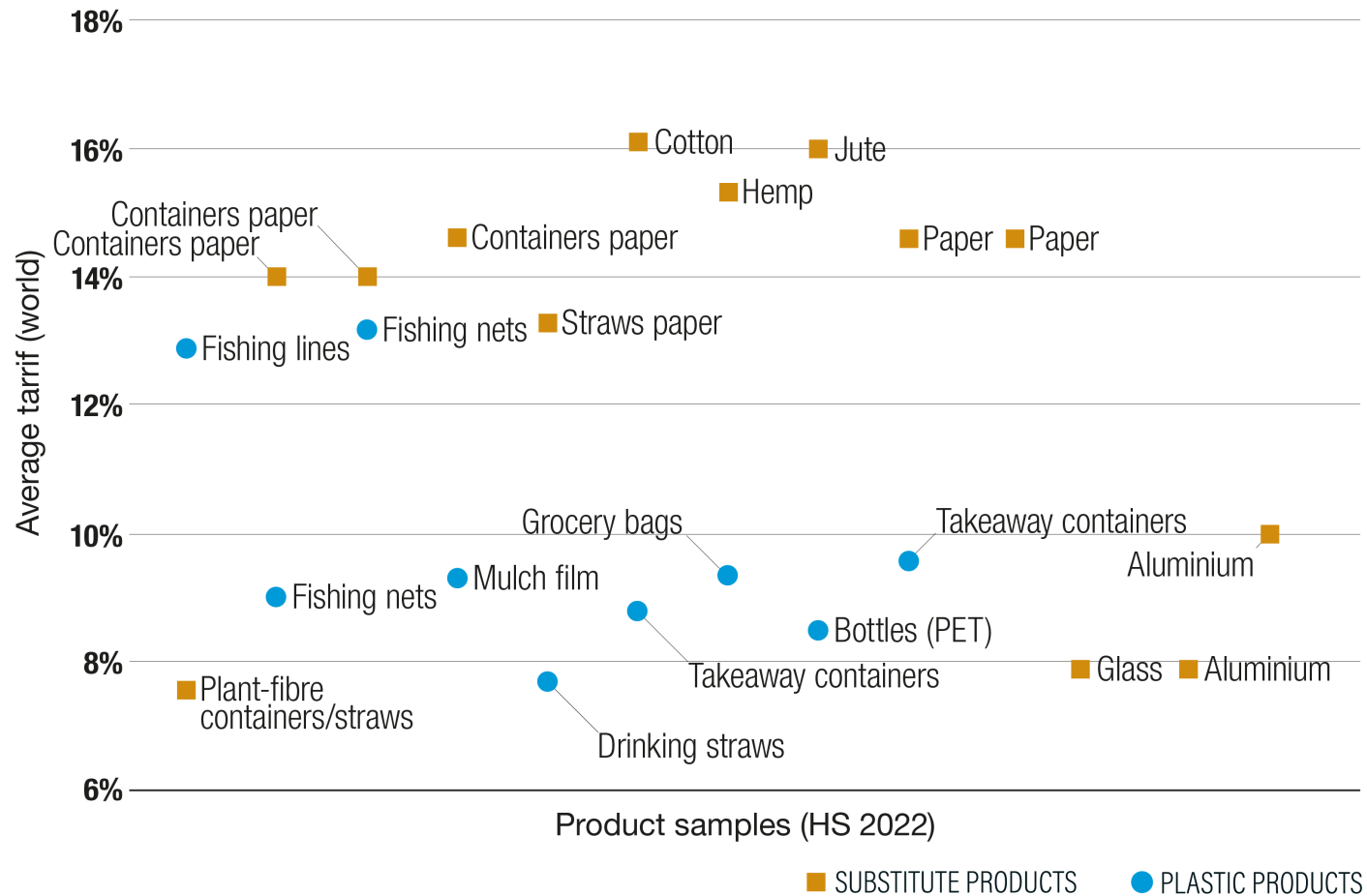




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Average import tariffs on plastic products vs material substitutes

Substitutes often face higher import tariffs than their plastic equivalents.



Important to promote more policy coherence in tariff schedules vis-à-vis potential control measures and incentives

Source: UNCTAD, based on OEC data 2020 and HS 2022 codes.

Note: Aluminium, paper, container paper and fishing nets are repeated because of different items represented in different HS codes.



Plastic trade and sustainable development opportunities

- We need global leadership for designing sustainable trade and finance measures that are supportive of INC objectives
- A **POSITIVE TRADE AND ENVIRONMENT AGENDA** can support this:
- **Trade control measures** that are fair, non-discriminatory, inclusive and transparent and in line with multilateral trade and environmental agreements
- **Green industrial policies and incentives** to encourage production and trade in **plastics substitutes** and related “sunrise” industries where developing countries are already trying to diversify
- **Green technology transfers**; e.g., open sourcing of plastics-related waste technologies and substitute technologies. Declare these public goods.
- **Sufficient, long-term development finance** available at scale, and on favourable terms - to finance technological, industrial, social and trade aspects under a circular and ocean economy approach
- **Support to LDCs and SIDS especially**, given the complexities



Thank you Merci

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State-of-play of discussions at the WTO Dialogue on Plastic Pollution

29 May 2023

Daniel Ramos
Secretary to the Dialogue on Plastic Pollution
WTO Trade and Environment Division

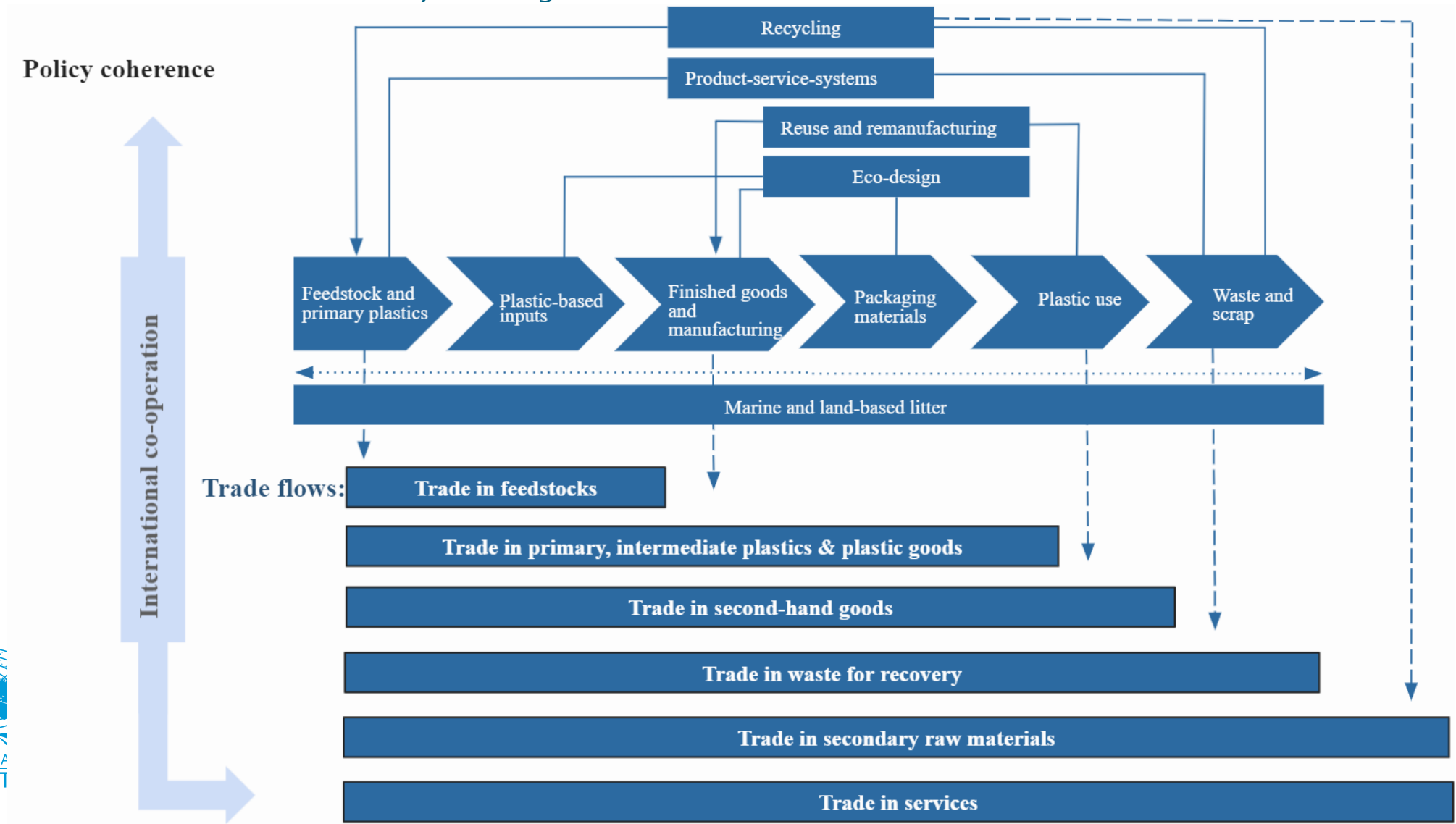
Dialogue on Plastics Pollution (short overview)



- ▶ Launched in November 2020
- ▶ **Coordinators:** Australia, Barbados, China, Ecuador, Fiji, Morocco
 - ▶ (+ the Philippines, UK and Colombia as facilitators)
- ▶ **Objectives:**
 - ▶ To explore how improved trade cooperation could contribute to efforts to reduce plastics pollution and transition to a more circular and environmentally sustainable global plastics economy
 - ▶ To complement existing international processes in other fora
- ▶ 4 plenary and 4 pre-plenary **meetings** in 2022 (+ 4 side-events and a Workshop)
- ▶ 3 plenary and 3 pre-plenary **meetings** in 2023 (+ a Workshop)
- ▶ **76 co-sponsors**, representing 85%+ of trade in plastics + **stakeholders**
- ▶ **3 informal working groups:** (i) cross-cutting issues; (ii) promoting trade to tackle plastic pollution; and (iii) circularity and reduction to tackle plastic pollution / + two Surveys

How Trade (and Trade policies) interact with plastic pollution? [INF/TE/IDP/W/3 – Factual Report 1st year]

Flowchart 1 – Plastic Life-Cycle Stages and Trade Flows



What are Trade-related Plastic Measures (TrPMs)?



Sustainability requirements

- Bans/restrictions on importation [and exportation] of [recyclable] waste (incl export licenses)
- Import licensing for plastic bag components (avoid circumv.)
- Minimum recycled content
- Requirements applicable to minimum thickness, (re)usability
- Exclusion of certain components
- Design requirements / guidelines
- Labelling requirements



Taxes and other market tools

- Env / chemical taxes (appl. to plastics)
- deposit schemes [incl. EPR schemes]
- [preferential] Tariffs on certain goods (incl. Tariff quotas)
- Packaging fees
- Trade defence tools (e.g. applied to substitutes)



Support measures

- Preferential tax treatment to alternatives/substitutes
- Direct grants to R&D
- Government procurement requirements/preferential rates for goods with recycled content
- Expenditure on resource utilization of agricultural wastes, incl. recycling of waste plastic films

General numbers and state of play of Dialogue's Survey on trade-related plastics measures (TrPMs)

~280

TrPMs

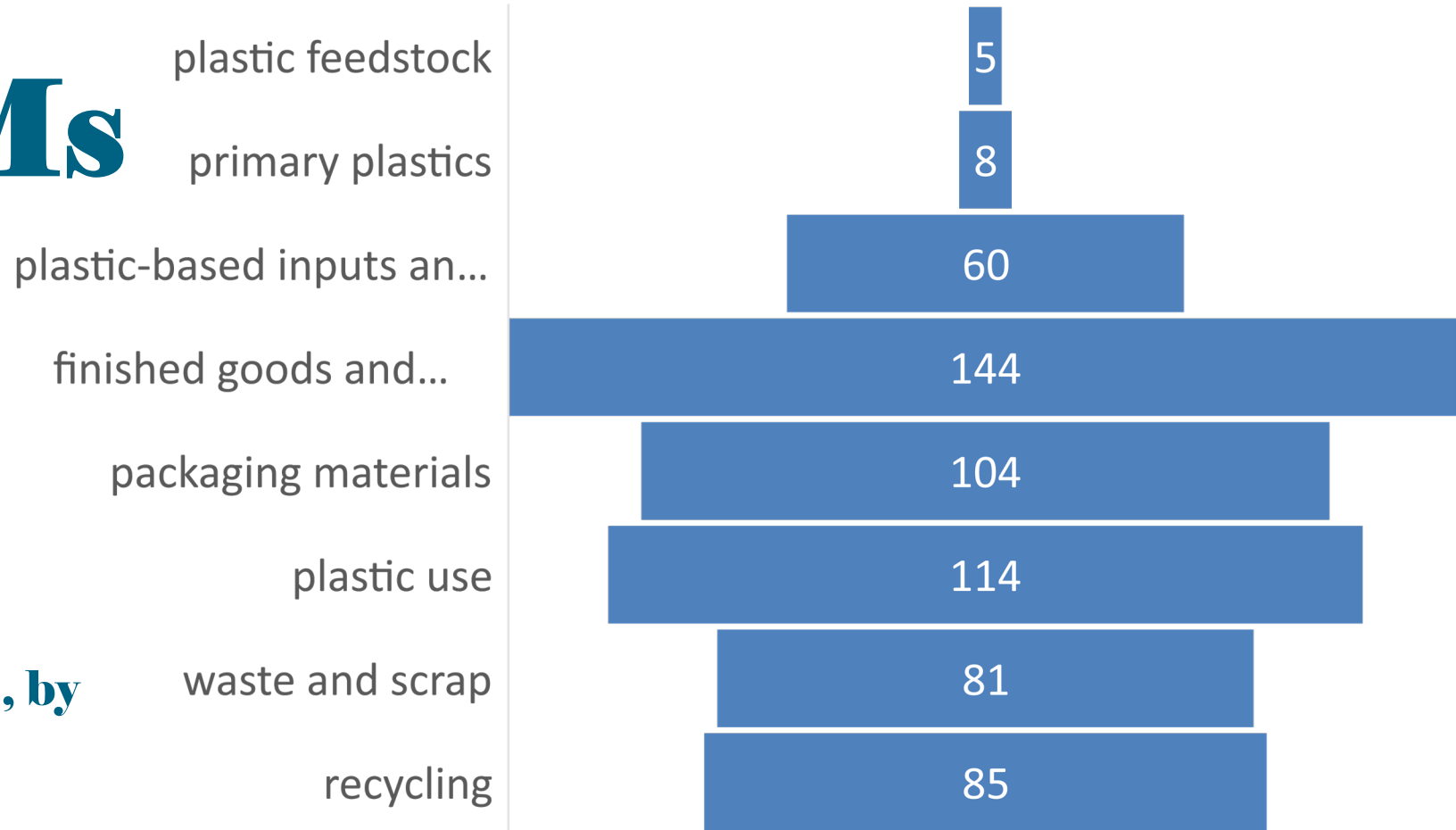
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Members

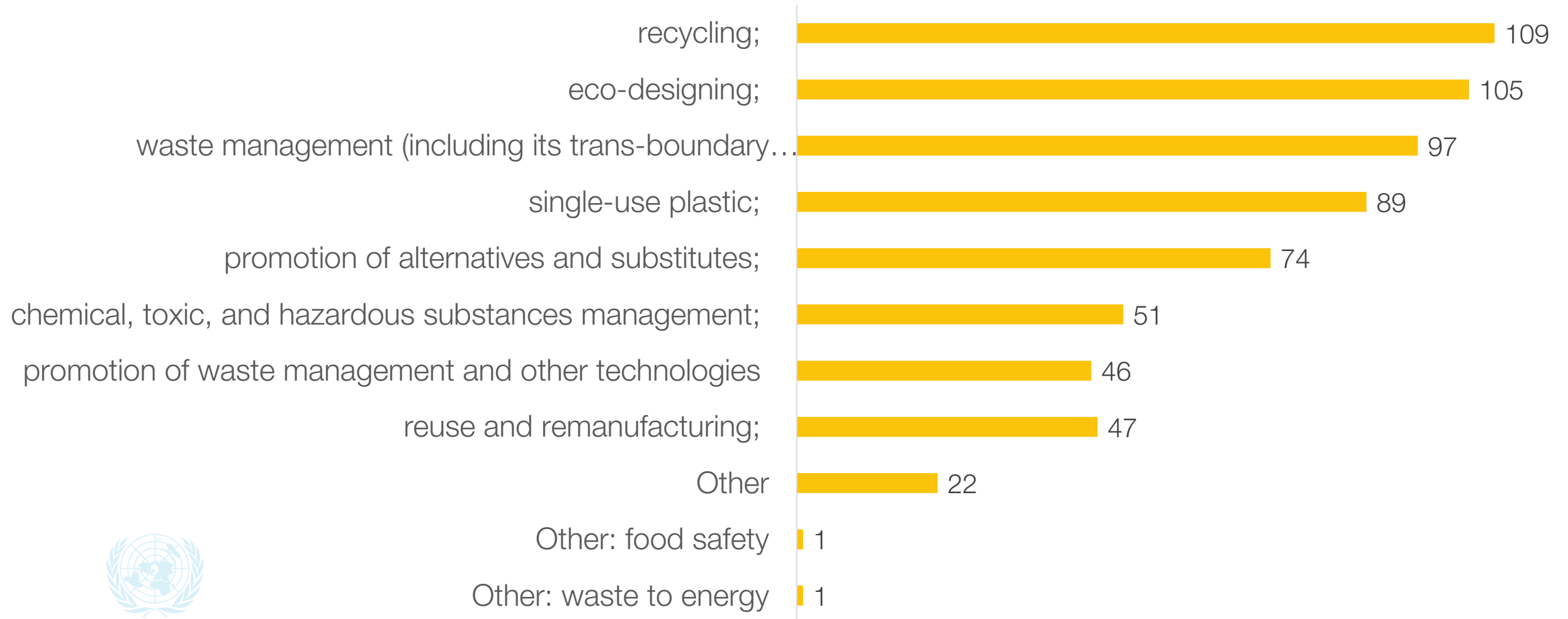
From all regions and mostly developing and LDCs (75%+, by member or measure)



Stage in value chain life cycle



What are TrPMs being adopted for?



What products are [reduction] TrPMs being applied to?

109 TrPMs on Packaging

26 TrPMs on other “finished goods”

89 TrPMs on Single Use Plastics (SUPs)



- **Construction materials**
- **Ag materials (e.g. rubber hoses, mulch films)**
- **eProducts**
- **Care products (cosmetics, diapers, toiletries...)**
- **Tyres**
- **Fishing nets**
- **Tobacco***

2021 Ministerial Statement calls for “concrete, pragmatic, and effective outcomes” at the latest by the WTO 13th Ministerial Conference – Abu Dhabi, during the week of





THANK YOU

