



HOW CAN INTERNATIONAL TRADE POLICY HELP TACKLE PLASTIC POLLUTION?

POTENTIAL POLICY OPTIONS

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GREENPEACE

RETHINK PLASTIC

#break free from plastic



THE OCEAN CLEANUP



plastic change





GLOBAL
PLASTIC ACTION
PARTNERSHIP

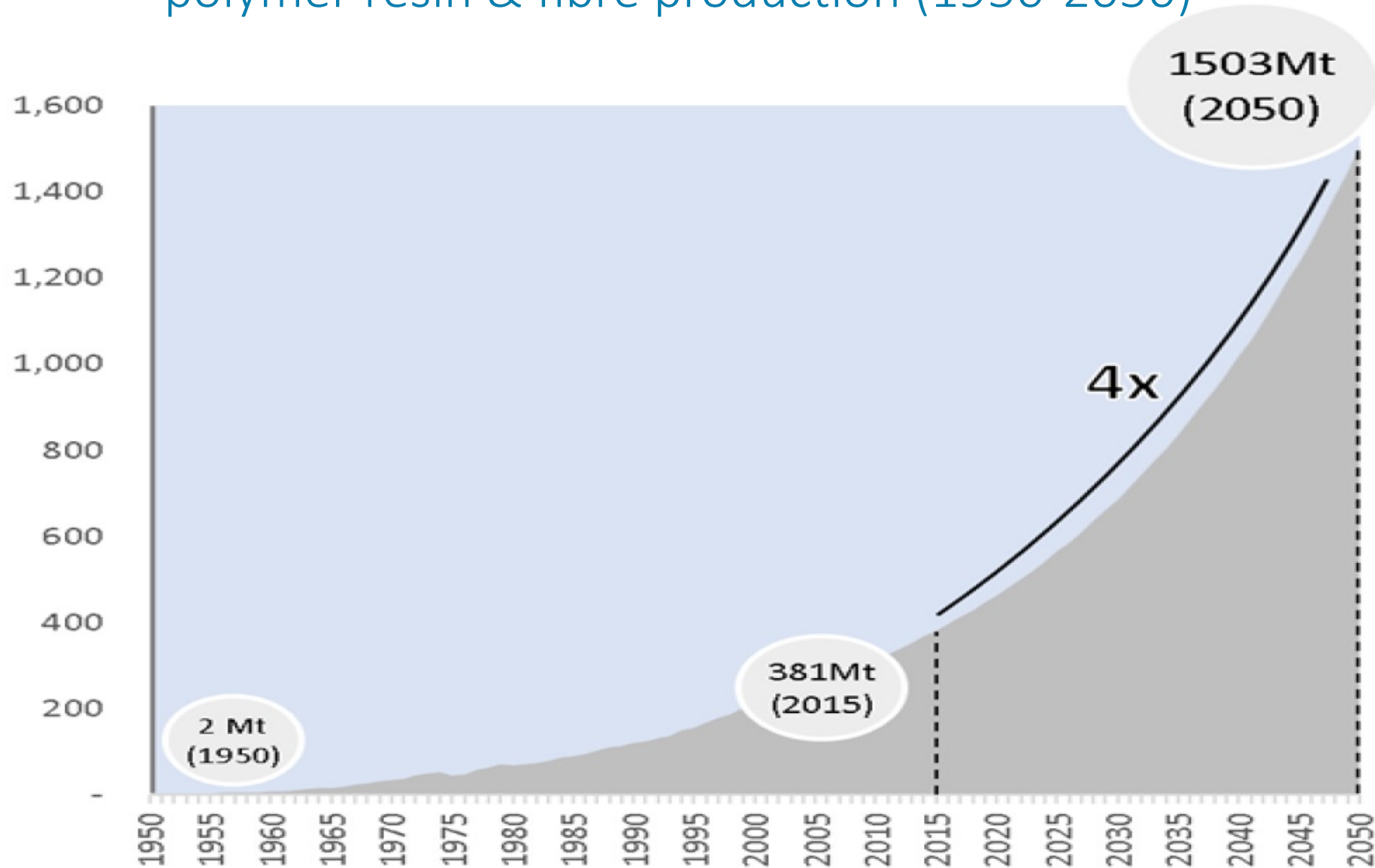


The International Business Alliance
for Corporate Ocean Responsibility

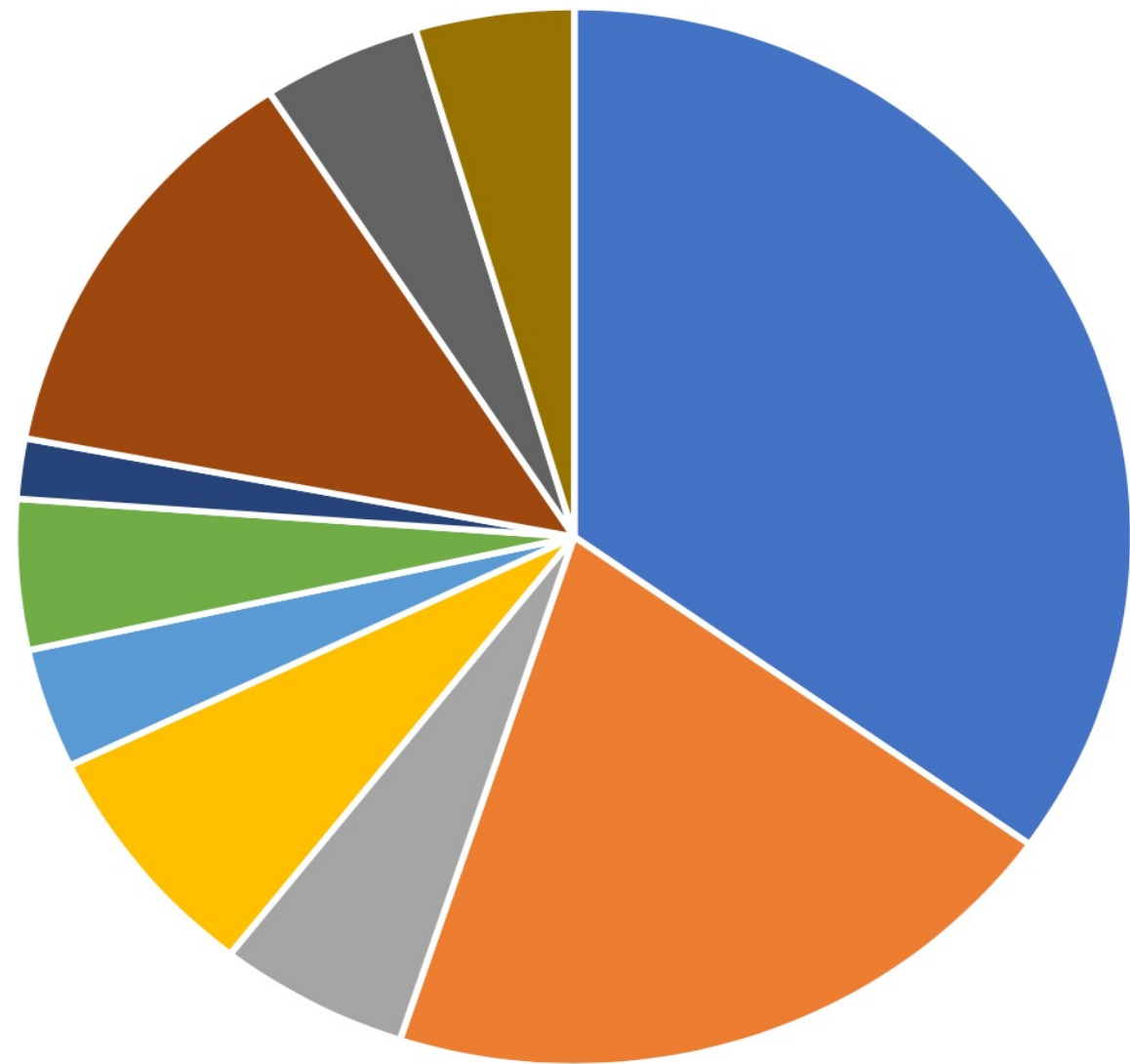


andcreation of UN Group of Friends to Combat Marine Plastic Pollution.

Evolution & projections of annual global polymer resin & fibre production (1950-2050)

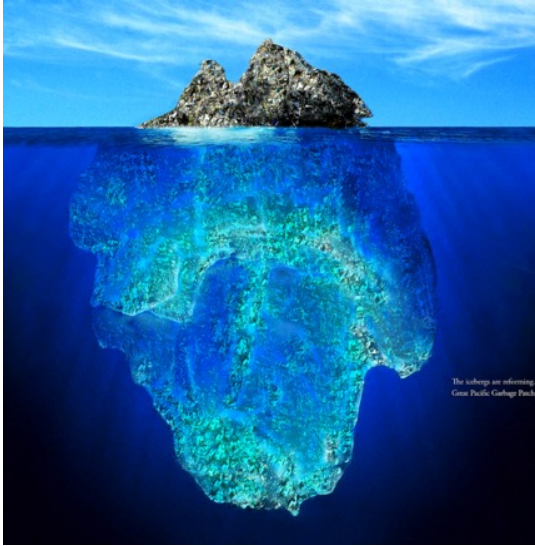


Global plastic market share by end use (2019, % of revenue)



- Packaging
- Construction
- Electricals & electronics
- Automotive
- Medical devices
- Agriculture
- Furniture & bedding
- Consumer goods
- Utility
- Others

Evolving understanding of the plastic crisis



'Downstream' plastic pollution in oceans

- Marine litter
- Microplastics



as well as in rivers and on land in sewage systems, agriculture fields, and roads

Challenges across the life cycle of plastics from production to disposal

- Economic & fiscal costs
- Health impacts
- Chemical pollution
- High carbon footprint of plastics sector



'Upstream' challenges

- reducing unnecessary use
 - reducing production of certain products + virgin plastic inputs
 - improving plastic design + production
 - effective recycling markets
- > a more circular plastic economy

- Behind plastic pollution is a global plastics economy

- need stronger focus on the political economy of achieving environmental action on the scale required



Share of primary plastic production by region, 2019

A global plastics economy

=

International trade plays a central role across the life cycle of plastics



Fossil fuel feedstocks



Virgin primary plastics



Plastic packaging



Plastic products

Products containing embedded plastics



Products wrapped & transported in plastic



Synthetic textiles

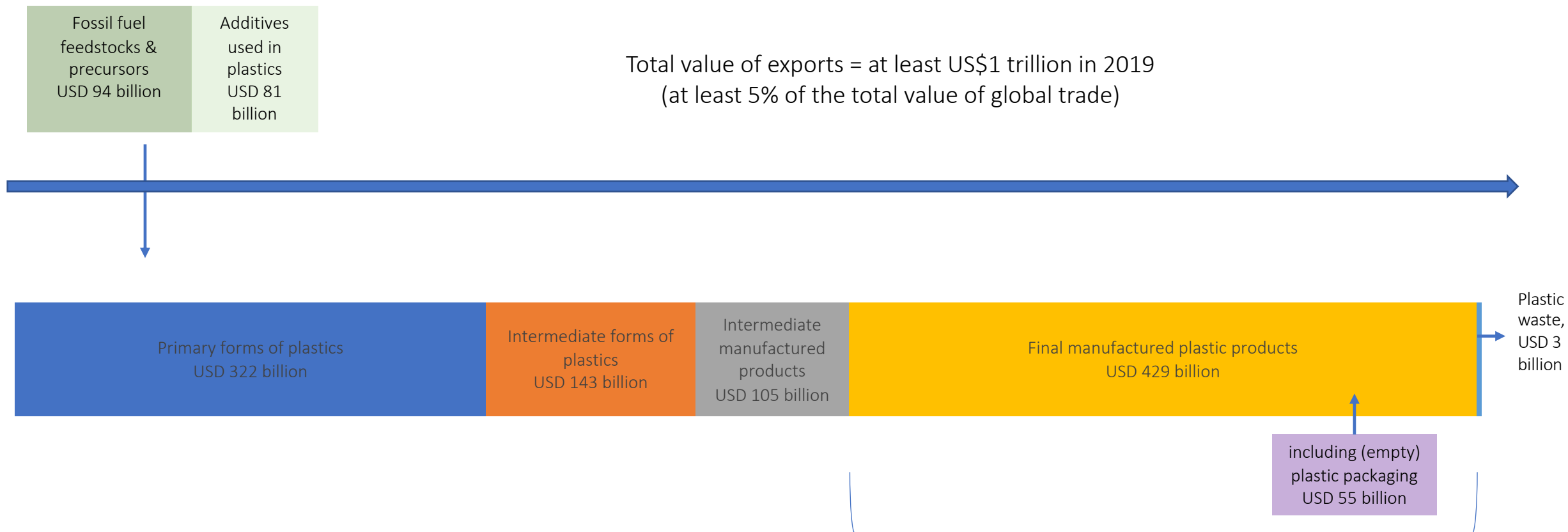


Waste



Secondary waste products

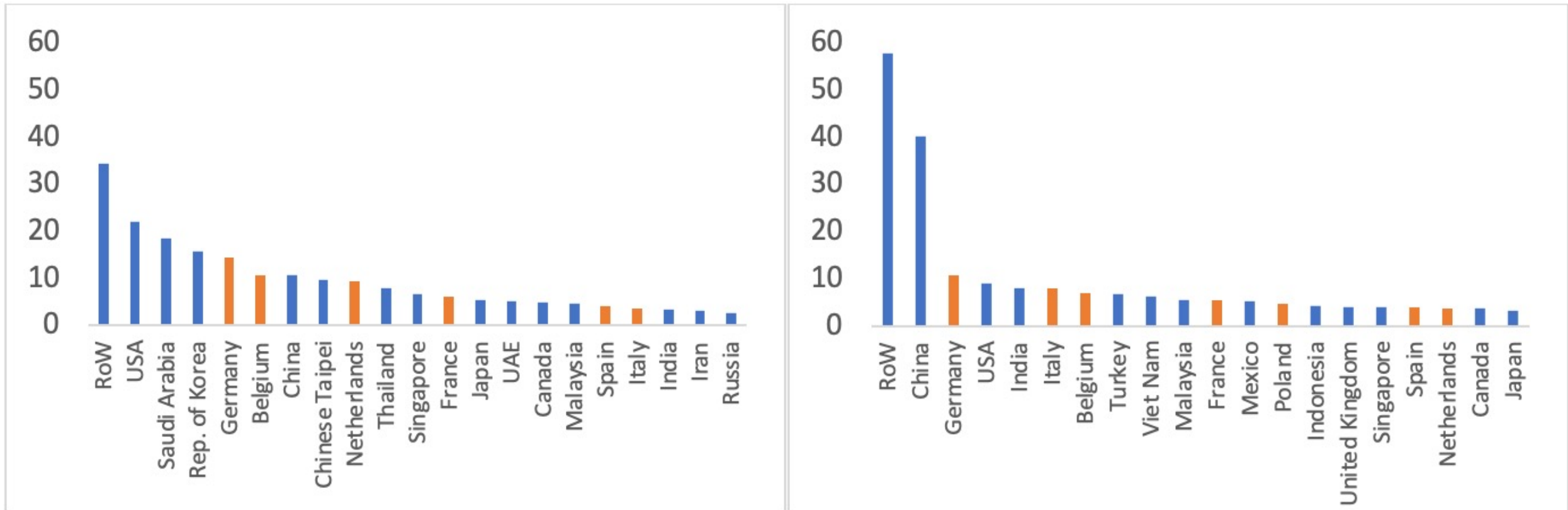
International trade across plastics life-cycle (exports, 2019)



plus millions of additional tonnes of 'hidden' flows of plastics embedded in products, used in pre-packaged products & used for distribution

Source: Authors' adaptation, using 2019 UN Comtrade data, of analysis contained in Barrowclough, D., C. Deere Birkbeck and J. Christen (2020) Global trade in plastics – insights from the first life-cycle database, UNCTAD Research Paper No. 53 UNCTAD/SER.RP/2020/12, UNCTAD.

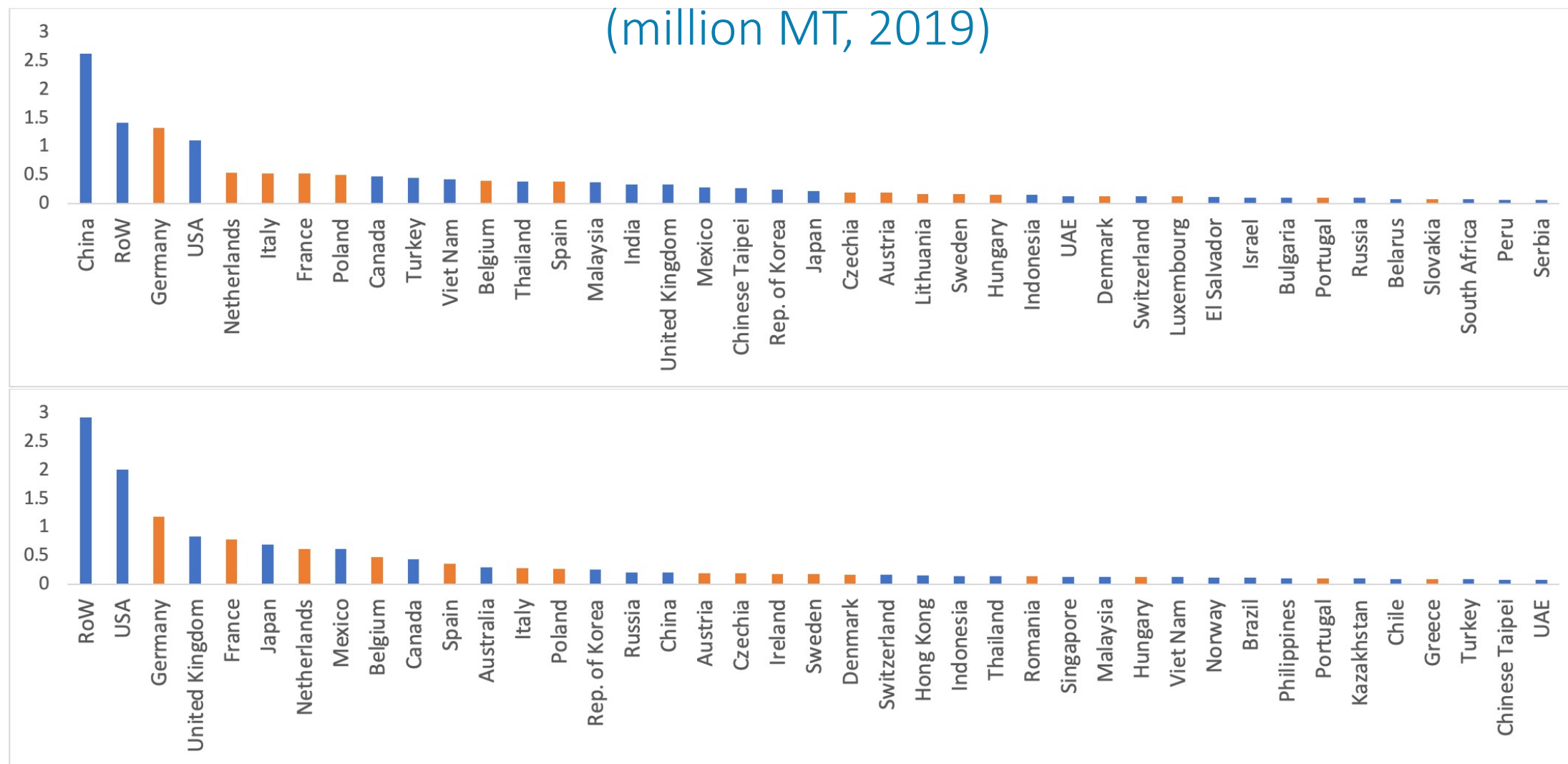
Volume exports (left) and imports (right) in primary forms of plastics (million MT, 2019)



Updated version (with 2019 data) of original table found in: Barrowclough D, Deere Birkbeck C, and Christen J (2020). Global Trade in Plastics: Insights from the first plastics life-cycle trade database. UNCTAD Research Paper No. 53. UNCTAD/SER.RP/2020/12. United Nations: Geneva and New York, p. 22. See note to Figure 13.

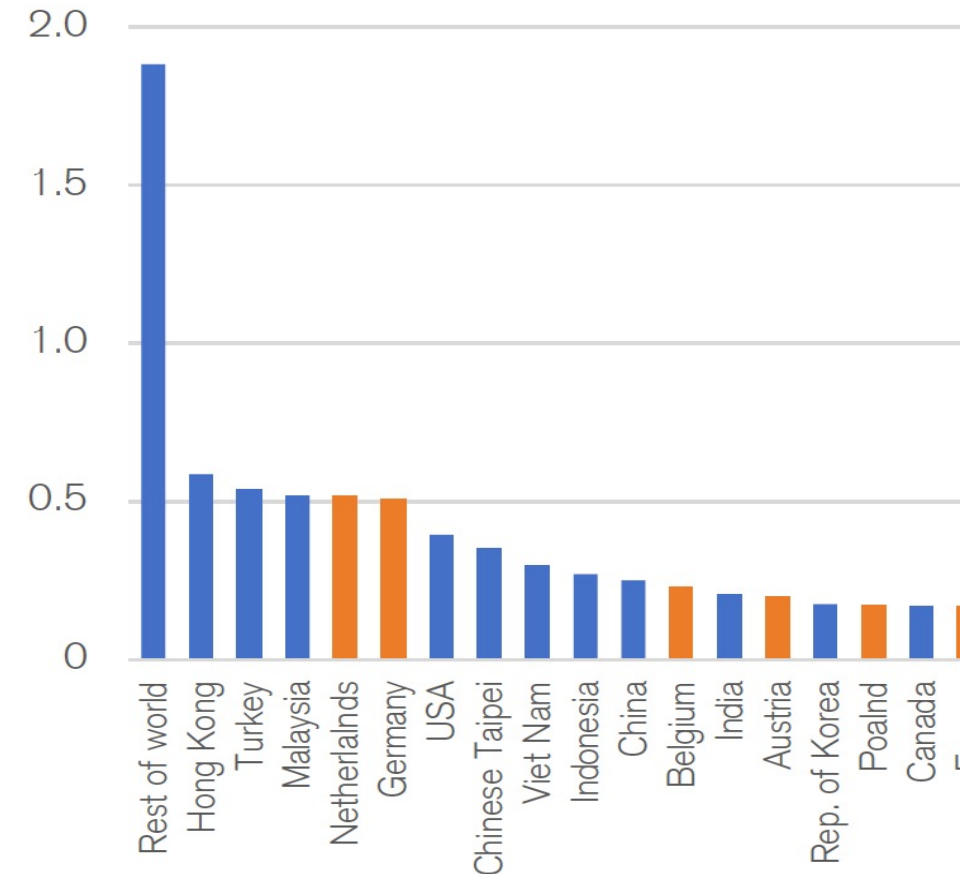
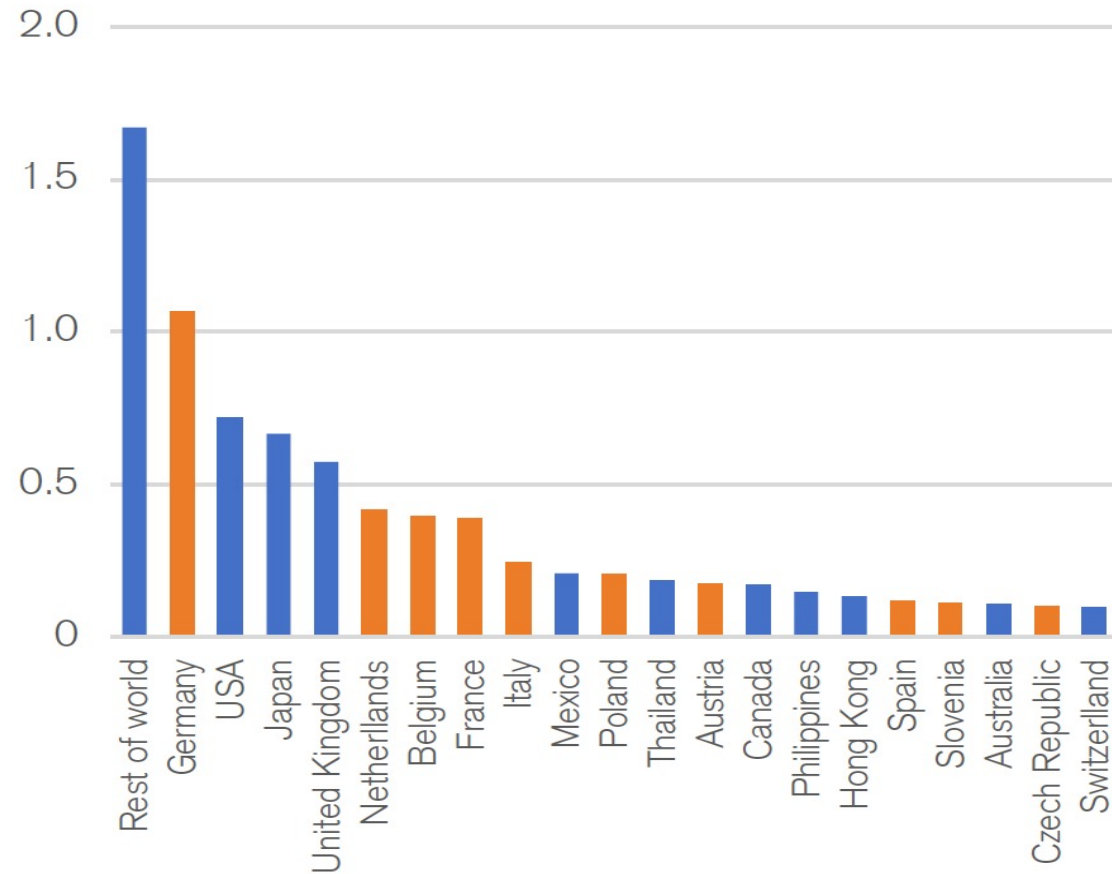
Volume (a) exports (top) and (b) imports (bottom) in empty plastic packaging

(million MT, 2019)



Source: Updated version (using 2019 UN Comtrade data) of original table found in: Barrowcough D, Deere Birkbeck C, and Christen J (2020). Global Trade in Plastics: Insights from the first plastics life-cycle trade database. UNCTAD Research Paper No. 53. UNCTAD/SER.RP/2020/12. United Nations: Geneva and New York, p. 30. Note: This figure provides data only for trade in 'empty' packaging as items with distinct HS codes solely for packaging traded in its own right. It does not include plastic packaging that is produced domestically and used in relation to other internationally traded goods. EU members are highlighted in orange.

Volume (a) exports (top) and (b) imports (bottom) in plastic waste (million MT, 2019)



Source: Authors' calculations using UN Comtrade data.

Top exporters across the plastics life-cycle by volume (2019)

Rank	Feedstocks	Additives	Primary plastics	Intermediate forms of plastic	Intermediate manufactured products	Final manufactured products	Plastic waste	Packaging	Synthetic textiles
1	Rep. Of Korea	Saudi Arabia	United States	China	China	China	Germany	China	China
2	Japan	Rep. Of Korea	Saudi Arabia	Germany	Germany	Germany	United States	Germany	India
3	USA	Indonesia	Rep. of Korea	Rep. of Korea	Turkey	United States	Japan	United States	Rep. of Korea
4	Netherlands	USA	Germany	Italy	Rep. of Korea	Thailand	UK	Netherlands	Chinese Taipei
5	Saudi Arabia	Chinese Taipei	Belgium	India	United States	Poland	Netherlands	Italy	Indonesia
6	Germany	China	China	United States	Chinese Taipei	Japan	Belgium	France	Viet Nam
7	India	Belgium	Chinese Taipei	Chinese Taipei	India	Italy	France	Poland	Turkey
8	Belgium	Malaysia	Netherlands	Turkey	Italy	France	Italy	Canada	Thailand
9	Chinese Taipei	Germany	Thailand	Belgium	Indonesia	Rep. of Korea	Mexico	Turkey	United States
10	Singapore	Canada	Singapore	Thailand	Viet Nam	Turkey	Poland	Belgium	Germany

Source: Updated version (using 2019 UN Comtrade data) of original table found in: Barrowclough D, Deere Birkbeck C, and Christen J (2020). Global Trade in Plastics: Insights from the first plastics life-cycle trade database. *UNCTAD Research Paper No. 53. UNCTAD/SER.RP/2020/12*. United Nations: Geneva and New York, p. 18. Note: This figure provides data only for trade in 'empty' packaging as items with distinct HS codes solely for packaging traded in its own right. It does not include plastic packaging that is produced domestically and used in relation to other internationally traded goods.

Trade policy & measures at domestic level

- Import bans and restrictions on certain plastic wastes.
- Import bans and restrictions on certain single use plastics (e.g., manufacturing and import bans on plastic bags).
- From 2009 to 2018, WTO Members notified 128 measures affecting trade in plastics for environmental reasons, more than half in last few years. Most of these measures were notified by developing countries (68%) & LDCs (13%). This number has been growing and continues to rise. Many more measures are also not notified to the WTO.
- The WTO Secretariat has also categorised the number of plastic measures notified to the WTO according to their focus on different points along the plastic value chain: plastics waste and scrap (34), recycling (33), packaging materials (30) or finished plastic goods (85), primary plastics (75 measures) and plastic based inputs to other goods (12 measures).

Environmentally- friendly substitutes for plastic:

Potential for a triple win?

- Responds to environment and development needs and trade interests for developing countries.
- Import tariffs could represent a ‘low-hanging’ fruit to address in the short-term.
- Evolution of standards will shape future trade opportunities for plastic substitutes
- In addition to multilateral efforts at trade liberalization, regional trade and co-operation initiatives will be critical including south-south RTAs.
- Technology and innovation important for realizing ‘scale’ potential for certain feedstocks such as those based on agro-waste and respond to standards in export markets.
- Trade-led initiatives should be complemented by broader measures to address a ‘level-playing field’ and competitive pricing versus plastic feedstocks and products.

Globalized nature
of plastics
production and
distribution =

Limits to what
national
governments can
accomplish on
their own to
reduce plastic
pollution

What is missing?

- Data and monitoring – on trends in global trade flows, production, supply chains, trade-related measures and their relevance to efforts to reduce plastic pollution.
- Dialogue and cooperation - national approaches are being developed in an uncoordinated and disjointed manner.
- Transparency – exporters and innovative companies are at risk of increasingly complex and diverging regulatory frameworks. There is poor transparency of trade-related measures & sustainability standards.
- Policy coherence – trade policy frameworks not well aligned with domestic measures to reduce plastic pollution or with the WTO objective of sustainable development.
- Development dimensions – limited attention to challenges and opportunities facing developing countries on trade-related aspects of tackling plastic pollution.



Prohibits or restricts production and use of certain persistent organic pollutants (POPs) used in plastic, and restricts their trade



Export restrictions on contaminated + unrecyclable plastic wastes



Pre-production

Production

Consumption

Waste Management

Upstream



Downstream

How and where else can international cooperation on trade help complement and support international efforts to reduce plastic pollution?

Trade policy options: Inform and enable action

1. Address gaps in data on trade flows relevant to plastic pollution, mapped against data and metrics of environmentally sustainable waste management capacity.
2. Improve transparency, reporting and notifications on trade-related measures, experience and lessons relevant to plastics and plastic pollution.
3. Support analysis and information-sharing on: 1) how specific trade policy options can support reductions in plastic pollution and which could be enhanced by international cooperation or coordination; and 2) where and how trade rules and policies can impede or undermine plastic pollution reduction efforts.
4. Boost trade-related technical assistance and capacity-building on plastic pollution (e.g., green Aid for Trade'), including for design of national and regional trade policy frameworks that support national environmental measures to reduce plastic pollution

Trade policy options: Incubate and catalyse action (1)

1. Promote trade in goods & services that can reduce plastic pollution, such as environmentally sound waste management technologies and non-plastic substitutes; technologies, goods and services that reduce plastic consumption (e.g., reuse and refill technologies); certified 'plastic free' products; and recycled plastic products. This could include reduction of tariff and non-tariff barriers.
2. Promote trade bans, restrictions and phase-outs of trade in the most environmentally harmful plastics (e.g., single-use plastics and packaging most prevalent in the environment, plastics that are hazardous or contain toxic chemical additives, and products associated with microplastic pollution) especially those that are non-recyclable and those that are banned or restricted domestically.
3. End trade in hazardous, mixed and contaminated plastics waste while facilitating responsible trade in recyclable plastics waste destined for certified environmentally-sound recycling facilities and in environmentally-sound plastic recyclates.

Trade policy options: Incubate and catalyse action (2)

4. Support development and implementation of international standards and classifications necessary to facilitate the shift to more environmentally plastics trade, including: a) improved sustainability standards for plastic products, reuse and refill systems, environmental labelling, and recycling; and b) updated classifications of trade in plastics to provide a more granular picture of plastics trade, including plastic flows currently 'hidden' in international trade statistics.
5. Promote international coordination of policies and regulations on plastic packaging and coordination of transnational extended producer responsibility (EPR) systems
6. Increase transparency of subsidies to fossil-fuel feedstocks and virgin plastics production, adopt commitments to end future subsidies, and explore cooperation on domestic taxes on virgin plastics

Potential pathways for cooperation

International environmental processes, including through MEAs (e.g., Basel Convention, UNEA and proposed global plastic pollution treaty)

WTO Informal Dialogue on Plastic Pollution and regular WTO Committees (CTE and the TBT Committee, among others)

Action within international economic organisations (UNCTAD, WCO, ISO, INTERPOL and OECD)

Regional cooperation on trade policies that support plastic pollution reduction efforts

National capacity building on trade-related measures

PLUS enhanced cooperation across the key international processes and forums working on different aspects of the issue.

WTO Informal Dialogue on Plastic Pollution and Environmentally Sustainable Plastics Trade

Launched in November 2020. All members invited and encouraged to participate

Co-sponsors are Australia, Barbados, Canada, Central African Republic, China, Ecuador, Fiji, The Gambia, Jamaica, Kazakhstan, Morocco, New Zealand, Switzerland, Thailand and the United Kingdom [as of 1 June 2021]

- “Aiming to complement existing international processes in other fora – and avoid duplication - the informal dialogue will explore how improved trade cooperation, within the rules and mechanisms of the WTO, could contribute to domestic, regional and global efforts to reduce plastic pollution and transition to a more circular and environmentally sustainable global plastics economy.
- Possible subjects for discussion include improving transparency, monitoring trade trends, promoting best practices, strengthening policy coherence, identifying the scope for collective approaches, assessing capacity and technical assistance needs, and cooperating with other international processes and efforts.”

Options at the WTO (1)

(1) policy coherence - ensure single-use and other environmentally harmful plastics that Members restrict or ban domestically are not also exported to other countries

(2) lower or eliminate tariffs and other trade barriers to non-plastic substitutes & environmentally sound waste management technologies and facilitate trade in recycled plastics and recyclable plastics (where adequate capacity for environmentally sound management exists)

(3) pledge to reduce unnecessary and excessive plastic packaging associated with international trade, and to better coordinate on policies and requirements for more environmentally sustainable packaging, including consideration of challenges arising for developing country exporters

(4) Adopt an Aid for Trade mandate to support developing countries to design and implement trade policies related to plastic pollution, support capacity building for customs authorities, build trade capacity for non-plastic substitutes, meet sustainability standards, and boost their access to environmentally sustainable waste management technologies.

Options at the WTO (2)

(5) call for work in relevant international bodies – like the ISO and UNEP - to develop transparent and credible international standards and labelling for plastics to underpin more environmentally sustainable plastics trade; assist in the identification of trade-related priorities.

(6) Identify key areas where more granular information on trade flows is needed and call for action at the World Custom's Organization to update the Harmonized System (HS) of trade classifications to help governments monitor and regulate trade in plastics.

(7) Establish a workplan for:

- continued efforts to enhance transparency, information-sharing and coordination of the current patchwork of trade measures related to plastic waste and products in order to enhance their effectiveness in achieving plastic pollution goals, working with other IGOs.
- continued information-exchange and dialogue with IGOs and stakeholders to complement other international efforts to reduce plastic pollution;
- discussion of additional topics such as environmentally-harmful subsidies to the plastics sector and coordination of extended producer responsibility systems.

Key messages

- Trade plays a central role in the global plastics economy and in plastic pollution



International cooperation is needed to:

- Ensure trade policies do not stand in the way of plastic pollution reduction efforts
- Harness trade policies – and market incentives – to help drive transformation and a just transition to a more environmentally sustainable plastics sector
- Support implementation of existing international rules on trade in plastics (such as Basel Convention ‘plastic waste amendments’)
- Promote transparent and cooperative trade policy frameworks on plastic pollution
- Address development dimensions and needs
- Support and complement national efforts as well as existing and emerging international efforts to tackle plastic pollution

Stronger international cooperation on trade can support international efforts to tackle plastic pollution