REPLAST: Driving Manufacturing Using Recycled Plastics

Wednesday 6\textsuperscript{th} November 2013

A View from the Coal Face
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Recognising the difference

Theory

Reality
Understanding the difference

Recycling Plastics
Understanding the difference

Trading Waste Plastic
Responsible Stewardship

- Preserve Raw Materials – Productive Second Life
- Preserve Resources – Energy, Water and Transport

= Environmental benefit + Carbon Saving
Quality not Quantity

Getting our priorities right
Putting quality first at every stage
Current State of the Market

- Currently awash with low grade material
- Global demand for scarce, high quality materials continues to drive values up
- Sustained high PRN/PERN values is driving prices even higher
- The disconnect between high scrap values and static virgin values creates margin squeeze
- Need for a wider range of high quality/value end markets to redress the balance
Case Study: Paint Cans

- Paint Cans
- 25% Recycled Content
- Marketing Accepted colour change
- Increase to 50% next challenge
- Only one of many such potential applications
Case Study: Paint Cans

What can you do with all your used plastic pots?

Recycle them!

The recycled pellets go to make new plastic paint pots.
Case Study: Cable Duct

- Utility product
- Long Lifetime – 20+ Years
- Concrete replacement
- Low raw material cost
- Lower installation cost
- End of life recyclability
How the Quality standard has been defined

A decade of growth achieved largely through the expedient of overseas markets
How the Quality standard has been defined

• It has been the UK Waste Management sector delivering the targets
• Collection has been predicated on quantity not quality
• Collection methodology determines the quality of what is collected
• Revised Waste Framework Directive – collecting materials mixed together as a means to collect separately??
• Underpinned by:
  1. The expectation of overseas markets continued acceptance of poor quality
  2. A misplaced faith in the effectiveness of sorting technology
• Why has it taken the actions of another country’s government to finally convince the UK to address the quality of the plastic waste it collects?
Commercial Drivers for Poor Quality

• Tax Driver – Kicking the ‘landfill’ cost down the street
• PERN Driver – Providing a subsidy for landfill disposal overseas
• Target Driver – Helping achieve Government targets into the bargain
• All well and good until the customer cries foul…..
• … China’s ‘Green Fence’!
Regulation – How Reprocessors are not helped

The PRN system – a subsidy not fit for purpose

a) By common consent it creates an un-level playing field
b) Provides same financial support for two entirely different cost bases
c) Creates a commercial incentive for exporting low quality waste
d) Encourages landfill diversion to overseas markets
e) It underpins collection methodologies unfit for purpose – RWFD
f) Whilst ‘taxing’ packaging it fails to encourage recycled content
g) It distorts raw material values leading to margin squeeze
h) Virtually impossible to police
Other Threats

• Energy Costs
  1. UK Reprocessors use a great deal of energy
  2. CCL – one among many regulatory costs nor faced by our competitors overseas

• Insurance Premiums
  1. Recently almost a fire a week – Bad Press – HSE reports
  2. Few Insurers with any appetite to provide cover

• Biodegradable Plastic
  1. Most recycled plastic goes into long term durable products
  2. Who in their right mind would continue to specify recycled content once degradable plastic was routinely present in the waste stream!
It’s enough to…

Make us feel like this…
Regulation – Leveling the Playing Field and Creating New Markets

How regulators could encourage UK Reprocessors

a) Consult those at the coalface, appreciate their knowledge and wisdom
b) Recognise the worth of the PRN ‘Offset’ proposal – use the carrot not the stick to drive recycling
c) As with Glass, consider splitting the plastic targets between processed and unprocessed tonnage in order to drive better outcomes
d) PERNs should not automatically be raised on 100% bale weight – contamination sent for export should never be subsidised
e) Use the ‘carrier bag tax’ as a positive tool to encourage recycled content rather than degradable litter.
Then perhaps....

We could begin to feel like this...
The National Challenge

To turn the Supertanker around

Or should we say Container Ship… ?
In Conclusion

The Challenge from the Coalface

• Put quality first – throughout the supply chain
• Immediate and wholesale reform of the PRN system
• As with Glass, promote a target split for Plastics to drive better outcomes
• Promote the BPF proposal for an Obligation Offset to encourage greater use of recycled plastics
• See off the threat from Biodegradable Plastic by promoting the sustainable recycled alternative
Thank You For Listening