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**DIALOGUE ON PLASTICS POLLUTION
AND ENVIRONMENTALLY SUSTAINABLE PLASTICS TRADE**

STATEMENT BY THE FORUM ON TRADE, ENVIRONMENT & THE SDGS (TESS)

Pre-plenary Meeting 17 November 2022

DOCUMENT DE SÉANCE NON OFFICIEL¹

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* In Original language only/En langue originale seulement/En el idioma original solamente.

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Statement by the Forum on Trade, Environment & the SDGs (TESS)

Dialogue on Plastics Pollution

Pre-Plenary

17 November 2022

Agenda Item 2. Focused discussions on Single Use Plastics (SUP) and products

- i. What are the key criteria to be considered when identifying SUP and products targeted by Trade-related Plastics Measures (TrPMs)? Are there examples of particularly problematic SUP and products that would fit these criteria?**
- ii. What are the key criteria to be considered when identifying environmentally sustainable and effective substitutes and alternatives to SUP and products targeted by TrPMs? Are there examples of particularly desirable substitutes and alternatives to SUP and products that would fit these criteria?**

We would like to thank the Dialogue Coordinators and Facilitators to convening this pre-plenary and for the very specific topics and relevant questions for discussion.

Single-use products are one of many problematic and unnecessary plastics that need to be addressed in order to tackle plastic pollution. However, as has been noted already, there is no universally accepted definition of single-use products, nor for problematic or unnecessary plastics. Notably, submissions from a range of governments for the first session of the international negotiating committee (INC) responsible for advancing work on an international legally binding instrument on plastic pollution by 2024 have highlighted the need for clear definition of concepts such as “problematic plastics.”

In terms of single use plastics, as we have heard in the presentations, Members have adopted different working definitions and approaches to regulating single use products. While there are commonalities, the scope of products targeted for regulation by Members varies widely. Sometimes the definition is broad but the number of specific products targeted is narrow, due to considerations ranging from technical capacity to implement specific kinds of measures, political feasibility as well as local social and economic considerations.

UN Environment Programme (UNEP) has offered a working definition of single-use plastics:

“Single-use plastics ...are commonly used for plastic packaging and include items intended to be used only once before they are thrown away or recycled.” Single use plastics include commonly used items such as grocery bags, food packaging, drink bottles, straws, containers, cups, plates and cutlery that are usually disposed of after one use.

A critical point for discussions at the WTO on trade and plastic pollution is that for many of single use plastics there is no specific corresponding HS code. Where there is an HS code describing a certain kind of relevant plastic good, we do not know from the HS classification whether and what share of goods classified under this HS code are for single or multiple use. The figure below provides a sample of relevant HS codes for some of these products.

Where to find single-use products in the HS? Some examples

392310	Plastics; boxes, cases, crates and similar articles for the conveyance or packing of goods
392321	Ethylene polymers; sacks and bags (including cones), for the conveyance or packing of goods
392329	Plastics; sacks and bags (including cones), for the conveyance or packing of goods, of plastics other than ethylene polymers
392330	Plastics; carboys, bottles, flasks and similar articles, for the conveyance or packing of goods
392340	Plastics; spools, cops, bobbins and similar supports, for the conveyance or packing of goods
392350	Plastics; stoppers, lids, caps and other closures, for the conveyance or packing of goods
392390	Plastics; articles for the conveyance or packing of goods n.e.c. in heading no. 3923
392410	Tableware and kitchenware, of plastics
630531	Sacks and bags; of a kind used for the packing of goods, of polyethylene or polypropylene strip or the like
630532	Sacks and bags; of a kind used for the packing of goods, of man-made textile materials, flexible intermediate bulk containers
630533	Sacks and bags; of a kind used for the packing of goods, of man-made textile materials, of polyethylene or polypropylene strip or the like, not flexible intermediate bulk containers
560811	Twine, cordage or rope; fishing nets, made up of man-made textile materials
560819	Other knotted netting of twine, cordage or rope; made-up fishing nets and other made-up nets, of textile materials

Notably, some countries provide more granular differentiation of specific single use plastics at the 8- and 10-digit levels in their national classifications. For a range of topics where amendments at 6-digit level through the HS may be difficult, there is considerable scope for more countries to adopt 8 and d10 digit codes that allow for more differentiation in ways that support transparency and regulation of trade in key problematic plastics, and also to coordinate among countries on these codes.

While amendments to the HS at the WCO and to national classifications will be important to help countries target trade flows in single use plastics they wish to regulate, there is also likely to be a need for creative technological solutions for tracking trade in single use plastics at the border (such as bar, QR and RFID codes). Cooperation on international standards and labelling of products could also promote transparency of the material composition of plastics that enter countries.

Importantly, as noted above, problematic plastics are not limited to single use plastics. There are a range of plastic products that can be considered problematic due to their design and material composition, including designs that make them hard to recycle (such as mixed-polymer, multi-layer and mixed-material products and packaging) as well as products that contain harmful additives.

Further, from a life cycle perspective, in addition to problematic plastic products, there is also a need to address the expanding production and trade of problematic plastic *materials* as well as harmful and toxic chemicals and additives, which contribute to the problematic nature of final products (including those that are not single use) as well as plastics embedded in other products (such as electronic goods). Notably, the High Ambition Coalition to End Plastic Pollution, formed in the context of the plastic pollution treaty negotiations, has noted importance of the “elimination of problematic plastics that hinder progress towards a circular economy, pose critical health risks or have a high risk of ending up in the environment.” It has also noted the challenge of avoiding unintentional release of microplastics from diffuse sources, such as wear and tear of tyres, paint and textiles. All of these are products that are highly traded internationally. On a related matter, the coalition is also calling for enhanced transparency in the value chain of plastics, including for material and chemical composition, precisely to support countries to identify, monitor and regulate production, use and trade in problematic plastics.

The identification and categorization of problematic plastics, with clear criteria, is an important ongoing work, which will require engagement of many experts, and the discussions today are already supporting that effort. Here again, discussions in this Dialogue can benefit from synergies with efforts underway in regard to the plastic pollution treaty. In a summary prepared by UNEP of submissions that several governments have made to the INC, they note the emphasis that submissions place on the importance of measures across the plastics life-cycle including those relevant to upstream segments such as “reducing and eliminating single-use, problematic,

unnecessary, hazardous and harmful plastics through product design.”² The note also makes reference to calls by a range of governments for the elimination or removal of various types of problematic plastics. Submissions also singled out microplastics for particular attention.

In short, we commend the effort of Members to focus in the first instance on potential cooperation around readily identifiable single use plastics, particularly given that this is a topic so many countries are already seeking to tackle at the national level. We would recommend, however, that this effort be approached in the context of the wider range of problematic plastics that require attention as well.

On the second guiding question under this item, with regard to environmentally sound and effective plastic substitutes for single use products, we underline the need to carefully differentiate between plastic substitutes, which we understand to be non-plastic substitutes, and alternative plastics. On alternative plastics, a number of presenters and Members this morning have already highlighted the diverse range of products referred to as alternative plastics, as well as the questions, risks and challenges associated with many of those, so we will not repeat.

The key point to note is that alternative plastics is a very broad concept that can include a range of products of different composition and feedstock and end of life characteristics, but that remain plastics. The environmental credentials of many of these products are a subject of considerable scientific debate, and some have been found to have misleading environmental claims and to offer no substantial environmental benefits over conventional plastics across the whole life cycle. Indeed, some alternative plastics, such as oxo-degradable plastics, have been found to be worse from an environmental viewpoint. Some plastics, such as recycled plastics, may have a key role to play in a shift to a more circular plastics economy, but also raise important environmental and health concerns, including related to the carbon footprint of recycling and the toxicity of recycled plastics. Many others here can provide more expertise on these points. Importantly, the advice from leading experts on plastic pollution is that from a sustainability viewpoint our emphasis must not be replacing unsustainable plastics with alternative plastics, but also to seeing where we can reduce unnecessary production and consumption, adopt alternative business models (such as re-use and re-fill systems in lieu of unnecessary packaging), and explore non-plastic substitutes.

In our work at TESS, we have been studying opportunities related to environmentally sound and effective non-plastic substitutes. Here, we agree that a consideration of environmental impacts across the life cycle is vital. On that basis, non-plastic substitutes that we suggest for consideration include natural fibres, such as jute, abaca, coir and kenaf, as well as products made of bamboo, many of which are of particular export interest to developing countries. In addition, as already identified by UNCTAD in their studies on the topic, substitutes made from agricultural waste are also worthy of consideration. They can have a low environmental impact if they make use of crops that are being already grown for food or other purposes and thus do not compete for water or land-use with such crops or undermine food-security. Crop waste can also provide farmers an additional income stream including in the event the main food crop gets destroyed by weather events or pests. We look forward to further discussion of this topic at the forthcoming workshop.

Agenda item 3. Focused discussions on plastic packaging, in particular those associated with international trade

a. Guiding technical questions:

i. What TrPMs could support increased use of recycled content in packaging? How to ensure rPET and other recycled plastics, alternatives and substitutes meet trade-related sanitary and phytosanitary requirements?

ii. How could ambitious customs authorities and/or leading enterprises help identify material flows of plastic packaging used in traded goods? Would sectoral averages be a potential first step?

TESS would like to thank the Dialogue Coordinators and Facilitators for including plastic packaging as a specific topic for discussion at this pre-plenary.

On the first question, regarding TrPMs that could support use of recycled packaging, the options that we have identified include design principles around packaging to improve recyclability, domestic

² <https://wedocs.unep.org/bitstream/handle/20.500.11822/40721/K2221859%20-%20UNEP-PP-INC.1-11%20-%20ADVANCE.pdf>

packaging recyclable content standards and labelling requirements, standards to restrict excessive packaging for food and cosmetics, collection and recovery targets, extended producer responsibility requirements, green procurement policies, and mandates and regulations setting packaging-related recycling and recycled content. Import tariffs, bans, import licensing and export restrictions are also being harnessed by countries to target non-recycled or non-recyclable plastic packaging. Notably, efforts to promote greater recycled packaging will also rely on upstream measures that address the low price of virgin plastic feedstock relative to recycled feedstock.

Notably, while the emphasis on recycled and recyclable packaging is an important element of a systems change approach to tackling plastic pollution, we urge governments to recall that efforts in this regard should be advanced in the context of wider efforts to reduce unnecessary packaging, to promote non-plastic substitutes and alternative business models that use less plastics, and in recognition of the fact that we will not recycle our way out of the plastic pollution challenges associated with expanding plastics production and use. Recycling and recycled plastics – and the associated markets for them – also present a range of environmental and health challenges. Recycled plastics, for instance, also shed microplastics, can be recycled only a certain number of times, and can only be used for certain applications because they present a range of health concerns, including increased toxicity.

On the second question, we all know from our daily experience that there is an enormous volume of overpackaging and unnecessary plastic packaging. We have heard this morning that many types of this plastic packaging and the plastic materials used in packaging are problematic or substitutable. Tackling plastic packaging will be a critical component of trade-led and trade-related policy efforts to address plastic pollution. Imports of plastic packaging, both empty plastic packaging as well as packaging associated with pre-packaged products and the transportation and distributions of plastic products, add to the growing volume of plastic waste that countries face and can overwhelm national waste management capacities, particularly in developing economies.

Our comments today will focus on the challenge of identifying material flows of plastic packaging at the border, including plastic packaging used in traded goods.

According to the OECD, almost two-thirds of plastic waste comes from applications with lifetimes below five years, with packaging being the biggest contributor (40%) followed by consumer products (12%) and textiles (11%). One reason for this is the extremely short lifespan of most packaging (OECD, 2022).

As noted by our colleagues by Pew this morning, packaging comprises the largest share of single-use plastic material designed for immediate disposal and for over 35% of global plastics produced annually. This morning our colleagues from Pew also highlighted certain types of packaging that offer the most reduction potential. These include sachets and multilayer/multimaterial flexibles (such as for shampoo and condiments, chips, and sweets packets), followed by business-to-business (B2B) packaging such as crates and pallet wrap, monomaterial films, bottles, carrier bags, and food service items. Together these categories account for 86% of the total reduction of plastic mass achievable in 2040 compared with business as usual.

On other hand, most national and subnational product bans and regulations today focus on carrier bags and food service items. In fact, these two categories make up only 10% of the entire plastic waste stream and represent just 16% of potential reduction by 2040. So a key challenge is to make sure we are focusing policy action, including trade related measures, on the kinds of plastic packaging that is most important in terms of pollution.

As we have noted in earlier presentations to this Dialogue on Plastics Pollution, official trade statistics based on the World Customs Organization's (WCO) Harmonized System (HS) codes are available only for trade in empty plastic packaging. But official statistics reveal very little about trade flows associated with the thousands of pre-packaged goods or used for their international distribution and business to businesses purposes, which as our colleagues from Pew mentioned this morning is a key area where reductions in plastic packaging is most important. Specifically, the HS reveals very little about trade in the types of packaging that Pew notes as offering the most reduction material (notably sachets and multilayer/multimaterial flexibles (such as for shampoo and condiments, chips, and sweets packets), followed by business-to-business (B2B) packaging.

A core challenge is that in the HS system packaging associated with pre-packaged products is classified with the product itself and no options are provided to differentiate among products in light of that packaging.

Taking first the available data on trade flows of empty plastic packaging, the figure below presents 2020 data. The figure highlights that the greatest exporter of empty plastic packaging, by far, is the EU, followed by China and the US, and then Japan, Korea, Canada and UK. Notably, the EU, China, and the US are also the largest importers of empty plastic packaging, presumably due to their large domestic markets and also potentially to be used for packaging used in relation to exports of various products.

'Empty' plastic packaging: Top fifteen exporters and importers, 2021

(by value in billion US\$, by value in million metric tons)

Exporters	Value	Volume	Importers	Value	Volume
EU	60.43	12.51	EU	54.23	11.07
China	26.57	6.30	US	18.28	4.24
US	13.80	3.20	China	10.48	1.04
Japan	8.0	0.50	UK	5.72	0.98
Korea	7.75	1.02	Canada	5.40	1.19
Canada	4.75	1.05	Japan	4.15	1.22
UK	3.75	0.39	Korea	3.98	0.67
Chinese Taipei	3.61	0.80	Russia	2.50	0.48
Mexico	3.54	1.36	Australia	2.37	0.38
Turkey	3.38	1.25	Thailand	2.26	0.53
India	2.59	1.01	Chinese Taipei	2.23	0.31
Thailand	2.52	0.89	Switzerland/Liechtenstein	2.12	0.28
Hong Kong, China	1.73	0.17	Hong Kong, China	1.75	0.27
Switzerland/Liechtenstein	1.67	0.29	India	1.67	0.42
Singapore	1.04	0.18	Indonesia	1.60	0.52

Values include only HS codes related to 'Empty Packaging' and do not include 'hidden packaging' associated with pre-packaged goods and transportation of goods.

Source: UNCTAD Plastics Trade Database

Looking ahead, a core challenge is to find ways to better identify and monitor the volume, value and composition of plastic packaging associated with trade flows and their transportation, including through potential amendments to HS subheadings at the WCO and nationally. This could start by identifying what kinds of packaging are associated with certain pre-packaged products, including by polymer and specifying the presence of harmful chemicals where relevant. For instance, governments could consider amending and tailoring specific HS codes to provide more transparency on the volume, share and material composition of packaging, including for instance:

- Bottled water, such as specifying where there packaging is PET, R-PET (i.e., polymer type), aluminium or glass, or the share of recycled content or recyclability of packaging.
- Food, cosmetic and personal products packaged in single polymers versus mixed polymers, or multi-material versus mono-material packaging.

As others have mentioned, cooperation on mandatory requirements and voluntary standards that aim to reduce plastic pollution associated with plastic packaging would support efforts across international supply chains. Standards, for instance, on disclosure of material composition, on design of packaging, and on the labelling of products with regard to associated packaging would assist efforts to reduce packaging used across international supply chains and to regulate packaging at the border. Such efforts will also call for careful consultations and international cooperation, including for instance on SPS requirements that may be relevant to plastic packaging. Changes in plastic packaging rules may, for, instance, have implications for exporters, and options for addressing challenges, especially for MSMEs and developing countries, arising from changing requirements in regard to plastic packaging in key export markets, such as for food products.

Governments can also consider how to cooperate on the use of technological tools, such as bar codes, RFID + QR codes, to enhance traceability and enhancing transparency of what is in products.

Going back to the issue of packaging, for instance, you could scan a pallet of pre-packaged products to know how much packaging is associated with the product and to have information about the material composition of packaging (what polymers and additives are included, if it is multi-material packaging). This kind of information could help governments working limit certain kinds of packaging or to prioritise packaging with certain characteristics over others. This Dialogue could also consider the state of play on electronic product passports and potential for cooperation on those. An important consideration with such technological tools is to ensure that companies, including MSMEs, have affordable access to these technologies, and there will be issues of ensuring that data is collected and entered correctly. Alongside, customs authorities are still likely to need enhanced capacity and systems to verify and test goods in a cost-effective manner.

Notably, we also wanted to draw your attention to ongoing efforts to identify sectoral and product averages for packaging intensity for different kinds of products. A key resource in this regard is the EXIOBase database, which provides estimates of “plastic intensity” per sector and could be used to support efforts to generate estimates of the share of plastic in the material composition of a product, including those traded internationally. TESS has been working with colleagues at the research group EA on using this database to determine the volume of ‘hidden plastics’ traded internationally, and would be pleased to share further information about this work in future meetings.

Finally, in regard to unnecessary secondary packaging used for shipping goods and B2B packaging, Members could review any requirements related to packaging that may exist nationally, including on the part of SPS, port or customs authorities, or that are required by companies across corporate supply chains, including by retail companies and shipping companies, to determine the scope for revisions that would reduce the incidence of unnecessary packaging.
