



**STATEMENT BY PAMELA COKE-HAMILTON
Director, Division on International Trade and Commodities
United Nations Conference on Trade and Development (UNCTAD)**

At the World Trade Organization's Committee on Trade and Environment on 3 July 2020

Mr. Chair,
Distinguished delegates,

1. On behalf of UNCTAD, I would like to thank the delegations of Fiji and China for inviting the UNCTAD secretariat to present the communication titled “Trade in Plastics, Sustainability and Development” (document JOB/TE/63) under the CTE agenda item on multilateral environmental agreements (MEAs) dealing with chemicals and wastes. The objective of the note presented today is to support an informed dialogue by Members States when discussing links between trade and plastic pollution in the context of the CTE and in light of the Sustainable Development Goals.
2. Plastic pollution is considered today one of the most pressing global environmental challenges alongside climate change and biodiversity loss. This is mainly due to the polluting effects of plastics production and disposal processes on the air, water and ecosystems, as well as on human and animal health. About 75 per cent of all plastic ever produced has become waste. The cost of plastic waste externalities plus the cost associated with greenhouse gas (GHG) emissions from plastic production is estimated at \$40 billion annually.
3. Challenges around trade in plastics are related but not limited to:
 - a. Ecosystem pollution (air, water, and land);
 - b. Health and safety impacts for all living organisms, especially during and in a post COVID-19 pandemic scenario;
 - c. Impacts on roads, sewage and water systems;
 - d. Imports of hazardous and other plastic wastes without prior informed consent;
 - e. Insufficient waste management capacity, costs of building such capacity and clean-up; and
 - f. The need to expand business opportunities for the provision of waste management services and for diversification towards plastic substitutes.

4. Developing countries are key players in the global plastics economy. The Global South has surpassed the developed world in overall plastics production. The combined share of developing countries in global plastics output rose from 43.5 per cent in 2009 to 58 per cent in 2018. Developing countries also accounted for half of the world's plastics consumption in 2016, closely followed by developed nations (44 per cent) and transition economies (6 per cent). Two in every three jobs in the manufacture of plastic products are now concentrated in the Global South: the industry is estimated to generate 7.7 million direct jobs in developing countries, compared to 2.9 million jobs in developed nations and 500,000 in transition economies.
5. Lack of capacity of developing countries to manage waste is a major source of plastic pollution. The lion share of global macroplastic leakage into the environment is estimated to originate in developing countries, mostly through the mismanagement of solid waste (e.g. open dumping, incineration and inadequate landfilling). Improved and increased solid waste management and wastewater treatment coverage are urgently needed to prevent plastic leakage into inland waterways and oceans and avoid soil and air pollution linked to disposal by incineration.
6. In the WTO context and over the past decade, the number of notifications of trade measures involving plastics increased at a rate of 28 per cent annually. From 2015 onwards, members have progressively shifted to plastic-specific policies as opposed to horizontal measures including plastics (see figure 1 in UNCTAD's communication). Plastic-specific policies (meaning those that mainly or solely target plastics) accounted for 86 per cent of plastic-related measures notified to the WTO in the 2017-18 biennium compared to 56 per cent in 2015-2016. This later trend may be further accelerated by recent policy developments, including the Basel Convention's plastic waste amendments, increased environmental, materials and waste disposal regulations, and the implementation of extraordinary measures in response to the COVID-19 pandemic.
7. The mix of plastic-related trade and environmental measures notified by members changes with development status. At the global level, measures related to technical regulations and specifications and conformity assessment procedures make up the bulk of notifications (57 per cent). Developed economies tend to rely to a larger extent on technical regulations (67 per cent) and subsidies to private firms and greener procurement schemes (28 per cent). By contrast, policy tools such as import licenses and bans are commonly used by developing countries (37 per cent of their notified measures). This is not surprising as developing countries have less capacity to set and implement technical regulations on the large myriad of plastic products or to provide subsidies to shift

production towards alternative materials, greener processes or to support the expansion of waste management capacity.

8. When looking towards solutions, a key area of interest is the identification and utilization of substitutes that can perform similar functions to plastic but without its negative health or environmental impacts. Here, the proposed focus is on substitutes that are not based on fossil fuels, such as mineral or organic/biomass materials. Their use could allow for the reduction and/or phase out of chemical-based polymers used in certain value chains, if sufficient incentives and demand emerge, and/or if the imposition of restrictions on plastics and their use continue to increase. An illustrative list of some of plastic substitutes and their uses and impacts can be found in table 2 of UNCTAD's communication.
9. The list of plastic substitutes includes many well-known materials, such as glass, ceramics, natural fibres, paper, cardboard, rice husk, organic wastes, natural rubber, and animal proteins, among others. Most proposed substitutes are propitious materials from a circular economy standpoint, as they are recyclable, biodegradable, non-toxic and sometimes reusable. These are the types of characteristics that we may want to see in current and future plastic substitutes alongside versatile industrial and tradable properties. Since many plastics substitutes are also labour intensive, changes in production and consumption patterns may lead to the creation of green jobs.
10. To effectively address the global challenges posed by plastic pollution, Member States have an opportunity to discuss and design the right multilateral trade and environment policy mix, including by internalizing the disposal costs of plastic, promoting plastics substitutes, and rapidly and significantly expanding waste management capacity. Within the scope of its mandate, UNCTAD stands ready to support Members individually and in emerging efforts to cooperate on the trade aspects of plastic pollution here at the WTO, by facilitating informed dialogue, providing technical assistance and exploring options for sustainability, substitutability and the emergence of new business opportunities. UNCTAD can also contribute by expanding research on the development dimensions of trade in plastics, assessing the potential for plastics substitutes and related industries, and supporting the development of national circular, green and blue economy strategies with a view to reducing plastic use and ultimately phasing out plastic pollution.
11. Many thanks, Mr. Chair.