



Sustainability Roundtable II: from dialogue to action

Plastic Circularity: Policy Perspectives from East Asia

GR Japan

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THE GR COMPANY



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Policy Environment Overview: Plastic Circularity in Japan

- Early adopter of recycling laws with a well-developed recycling system
- One major challenge is that though 87% of plastic waste is effectively used, **only 25% is recycled**, while 63% is incinerated for energy recovery
- Since **Circular Economy Vision** was introduced in 2020, promotion of recycling has shifted from an environmental approach of the 3Rs to an economic approach in **creating value from resource circularity**
- Despite being a relatively minor component of the broader GX (Green Transformation) Plan, the circular economy is **gaining traction under the Kishida administration**, as evidenced by its inclusion in the *Honebuto* Basic Policies

Policy Developments in Japan



2020 May: METI introduced the **Circular Economy Vision**

- Transition from 3R as an environmental activity to circular economy as an economic activity
- Promoting **voluntary initiatives by companies** to developing circular products and businesses in the global market (with minimal regulatory measures and use soft law)

2022 April: **The Plastic Resource Circulation Act** was enforced to **address full lifecycle of plastics** and expand stakeholder obligations in promoting “3R+Renewable” (4R)

- Develop guidelines for **Design for the Environment** for manufacturers and establish a mechanism to certify products designed in accordance with the guidelines
- Set criteria for retailers and service providers to **reduce single-use plastics**
- Upon individual approval of recycling plan, **allowing manufacturers and retailers to recycle their used products without service permission** under the Waste Management Act

2023 April: METI introduced the **Strategy for a Growth-Oriented, Resource Autonomous Economy**, setting a target of increasing the scale of circular economy-related businesses to **more than 80 trillion yen by 2030**. Promote transition towards circular economy and ‘arterio-venous (manufacturing-recycling) collaboration’ through policy package of three core pillars:

- Development of **competitive market environment (with regulations and rules)**: deepening 4R policies, building of re-commerce market, international collaboration etc.
- Financial support through CE toolkit (**2 trillion yen over 10 years from GX investments**) for CE projects/ R&D, digital transformation, standards development, start-up venture etc.
- Launch of an **industry-government-academia partnership** - Circular Partners – to facilitate knowledge transfer and roadmap setting

2024 April: **The Act on the Advancement of Recycling Businesses for the Promotion of Resource Circularity** is enacted to **promote supply of quality recyclates** for manufacturers and supporting industry development. The Act aims to:

- Establish a national basic policy to promote the advancement of the recycling business
- Establish a **reporting system** where specific waste generators are required to report their 4R progress to MOE annually
- Establish an **accreditation system** for advance recycling businesses to exempt from certain facility license requirements

2024 May: MOE called for public comment to the **5th Fundamental Plan for Establishing a Sound Material-Cycle Society**

- Key pillars in the 5th Plan draft: **regional social issues** and waste management, enhancing resource security through circularity, contribution to **net-zero and nature-positive** initiatives, **disaster waste** management etc.

Policy Developments in Korea



Overview

- Circular economy is a **key strategy for achieving carbon neutrality**, with plastic recycling policies forming a major pillar
- Unlike the previous Moon administration's approach of strengthening regulations on plastic usage, the Yoon administration's strategy focus on **providing incentives to enhance plastic circularity**

Challenges

- Ministry of Environment is considering **leaving implementation to local government**
- Deposit Return Scheme for single-use cups was **postponed to appease small businesses and cafe owners**
- Plastic ban refuted due to **economic concerns and public inconvenience**

Policy Updates

- Since 2021, mandated the **separate collection of transparent PET bottles** to increase the supply of plastic recyclate and develop markets for plastic recyclates and alternatives by **supporting biomass and biodegradable plastics markets**
- In October 2022, the Yoon administration unveiled ***the Plan for Plastic-Free Life Cycle*** to reduce plastic consumption:
 - promoting reusable packaging markets
 - incentivizing reusable utensils
 - empowering **local governments** to implement plastic reduction plans
- Enhanced the plastic circular economy by promoting recycling-friendly product design and material and chemical recycling to ensure a sufficient supply of recycled products
- In November 2022, announced **Single-Use Plastic Ban** announced to prohibit single-use utensils and plastic bags in eateries and stores, **was indefinitely postponed**
- ***Promotion of Saving and Recycling of Resources Act*** revised in 2023 to approve physically/mechanically recycled PET containers (have not been subject to a chemical recycling process) for food and beverages, provided they adhere to safety standards required by Food Sanitation Act



Policy Developments in Taiwan

Overview

- Taiwan has a long history of fighting against plastic pollution, with **single-use plastic products (especially plastic bags) at the centre**
- Although Taiwan has greatly improved its waste recycling rate since 1997, recycling 73% of all plastics, the annual domestic sales of plastic bags has grown steadily, and the average use of plastic bags per person a year is still as high as 700

Challenges

- **Lack of regulatory oversight** on businesses that are not obliged to issue official unified receipts, like traditional markets and eateries
- **Consumer awareness and readiness** to shift to environment friendly products is yet mature

Policy Updates

- Since 2018, the Environment Protection Administration (EPA) already announced its goal to achieve a **total ban on the use of single-use plastics by 2030**
- At the end of 2022, the EPA announced the **Key Strategic Action Plan for Zero Waste and Resource Circulation** as part of its 2050 net-zero transformation initiative. This plan established medium and long-term goals, including
 - a 50% reduction in plastic packaging usage by 2030
 - an 80% recycling rate for plastic packaging and containers
 - an average of 30% recycled material in non-food contact containers
 - Major measures include recycling packaging and containers, incorporating recycled materials into plastic packaging, conversing combustible waste into fuel
- In 2023, the Ministry of Environment (formerly EPA) announced a policy shift from outright bans to **reducing virgin plastic usage by 138,000 tons by 2030**, integrating circular economy principles
- Taiwan has been preparing itself as a responsible global player to accommodate the INC-5 guidelines, despite not being a member of the UN

Outlook and Implications



Japan

- The policy discussion continue to place **emphasis on enhancing circularity for plastics** and rare metals
- Some discussions on **improving the labeling system** for containers and packaging (such as plastics and PET) to aid mechanical sorting
- A potential revision of the *Act on Promotion of Effective Utilization of Resources* to mandate **target setting for recycled material usage and reporting**

Korea

- **Growing bipartisan interest** in environmental issues following the April general elections
- Balancing environmental goals with economic impacts will remain a key objective, ensuring that regulations do not overly burden consumers or small businesses
- As **the host nation of INC-5**, it eagerly anticipates the signing of a treaty and is poised to demonstrate its leadership at the negotiating table

Taiwan

- Instead of banning single-use plastics, which has been proven quite difficult at least for now, the government is expected to **switch its focus and allocate budget to exploring and promoting alternatives**
- Circular economy remains **a low priority in the political agenda**, as discussions are dominated by other issues around energy security and industry decarbonisation

- The East Asian region has made significant strides in developing and implementing plastic recycling policies
- Success in promoting resource circularity will hinge on **strong governmental support, local governments collaboration, and active public participation**

THANK YOU

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