

Increase in recycling, but players take strain

Over the past couple of decades, Plastics SA - the umbrella organisation representing the local plastics industry - has been measuring the recycling rate of plastics in this country. Annual updates are done to track the trends in recycling.



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Commenting on the latest recycling figures, Plastics SA executive director Anton Hanekom said that the plastics recycling industry around the world is taking strain.

"Analysts agree that 2015 was one of the toughest years for recyclers locally and abroad in more than a generation, owing to historically low oil prices that led to lower polymer prices. This in turn had a direct impact on the price of recycled material, which resulted in minimal growth and a slowdown in the amount of plastics we are able to divert from landfill."

The results of the last comprehensive and complete survey for the year ending December 2015 show that:

- SA mechanically recycled 292,917 tons of plastics in 2015 - an increase of 3% year on year from 2014.
- Over the past five years the compounded growth in plastics recycling was 5.5% per annum.
- Domestic production of virgin polymers totalled 1,49-million tonnes in 2015, growing 6,4% from 2014. This growth would essentially be as a result of the weakening exchange rate against international currencies that lead to local procurement of plastics products rather than imports.
- A total of 310,641 tonnes of plastics were diverted from landfill in 2015. This is 1.6% less than in 2014 and is due to the significant reduction in the export of recyclable waste.
- The overall diversion from landfill rate was 20.8% - decreasing from 22.5% in 2014.
- Recycling rates of PE-HD, PP and PVC declined as some of the products traditionally made from recycle of these materials are directly linked to consumer spending and mining activities.
- Formal employment in the recycling sector increased by 3.3% to 6,234 permanent jobs.
- Informal employment has grown by 3% to an estimated 48,820 collectors.
- The recycling industry invested 48% more in capital equipment per tonne of material processed in 2015 to deal with increasing demands and improved quality requirements.
- Processing costs increased 15.4% year on year with the biggest contributors being water, electricity and transport.

"SA has a thriving recycling industry that creates jobs for thousands of people. Yet, it is frustrating to see there is still not an established recycling culture in our country. We still see too much plastics ending up in landfill that could have been

recycled many times over into various new products," said Hanekom.

According to the latest Plastics SA figures, the lack of a consistent incoming stream of recyclables was the single biggest challenge plastics recyclers faced during 2015. A large quantity of the materials that were made available for recycling was recovered by waste pickers off landfill sites, where they were contaminated and therefore of poor quality. At some sites, up to 40% of materials had to be scrapped or rejected due to impurities.

According to Hanekom, recyclers have to operate in an increasingly difficult business environment where they face high operating costs, tight margins and challenges such as load shedding, escalating electricity costs, water shortages and a downturn in the economy.

"Recycling is a cyclical, commodity-based business. However, there seems to be a public perception and expectation that the recycling industry needs to save the planet, extend the supply of natural resources, provide cheaper raw materials, create sustainable jobs, fix the image of plastics littering, save landfill space and rid the country of its visible litter problem - all at no cost to anyone!

"This is an important industry that sustained close to 55,000 jobs last year. It needs all the support it can get to continue growing and developing into a priority sector," said Hanekom.

"The plastics recycling industry has achieved outstanding results in the face of many obstacles and challenges. However, we need to use these challenges to help us adapt to changing market needs and expectations.

"With the help of brand owners and retailers willing to get involved by putting pressure on the converters to design products that are recyclable and contain a percentage of recycled material, we will take plastics recycling to a new level."

Recyclers operate in an increasingly difficult business environment where they face high operating costs and tight margins

Source: Business Day

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