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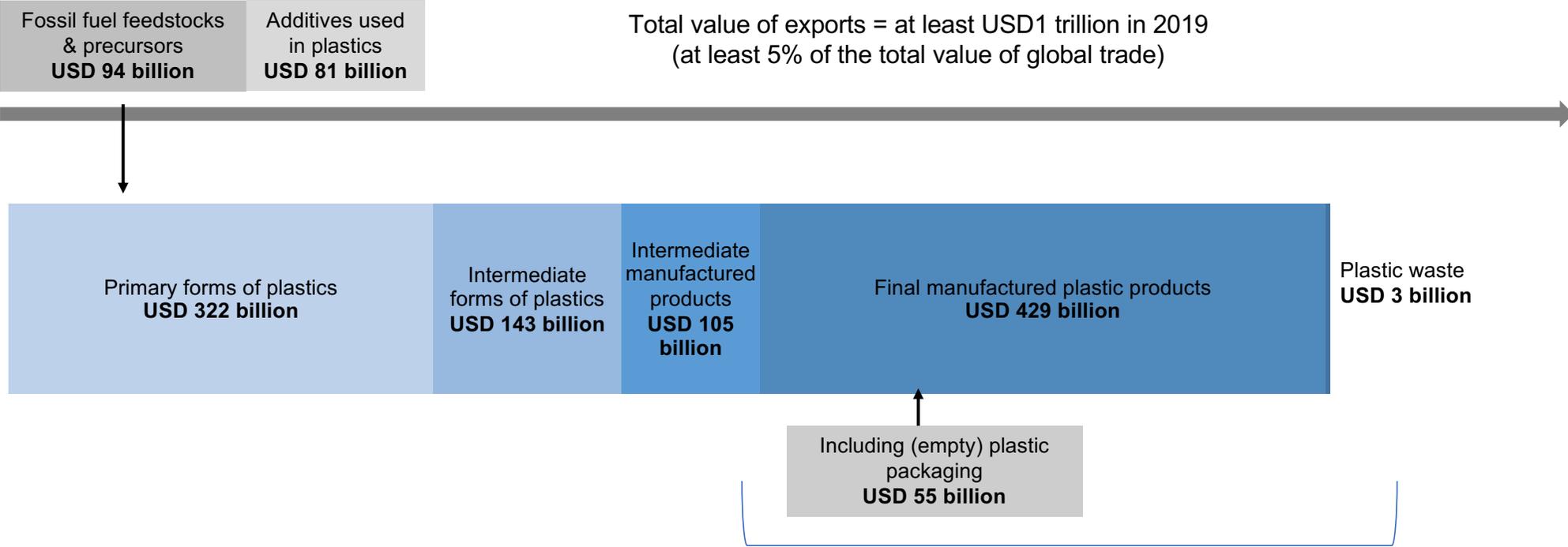
Forum on Trade  
Environment & the SDGs

## **The HS and plastic pollution: Opportunities and options to improve transparency of trade flows across the life cycle of plastics**

Visualising a Greener HS: Enhancing the HS to support environmentally sustainable trade  
World Customs Organization Symposium 4

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# Plastic pollution and trade flows across the life cycle of plastics



**plus** millions of additional tonnes of 'hidden' flows of plastics embedded in products, used in pre-packaged products & used for distribution

Source: Deere Birkbeck, C. & M. Sugathan (2022) using 2019 UN Comtrade data, building on analysis contained in Barrowclough, D., C. Deere Birkbeck and J. Christen (2020) Global trade in plastics – insights from the first life-cycle database. UNCTAD Research Paper No. 53 UNCTAD/SER.RP/2020/12, UNCTAD.

# Why is the HS relevant to plastic pollution and trade?

More granular HS codes would help governments design and implement policies designed to reduce plastic pollution and implement effective circular economy policies, for instance, by:

- Supporting transparency and monitoring of trade flows across the life cycle of plastics
- Enabling government to more effectively target restrictions or bans in trade of plastic materials and products to support environmental laws & regulations on plastic pollution
- Regulating trade in plastic waste, including implementation of Basel Convention plastic waste amendments and preventing illegal trade
- Promoting trade in goods & services that could help reduce plastic pollution (non-plastic substitutes, waste management technologies, products with recycled content, recyclable products)
- Supporting the use of international standards and labelling requirements for imports and exports, including of the material composition of plastics

## Recognition of need to improve classification & monitoring of trade flows relevant to plastic pollution

- Negotiations for a legally-binding international treaty to end plastic pollution
  - growing recognition that tackling plastic pollution will require enhanced international cooperation on plastics supply chains and international trade
- Ministerial Statement from WTO Dialogue on Plastics Pollution. Calls for cooperation to:
  - “improve the understanding of global trade in plastics, including flows of plastics embedded in internationally traded goods or associated with them (such as plastic packaging).”
  - identify “actions needed to improve gathering of data on trade flows and supply chains,” including by using the HS or other trade instruments or standards...and to improve “the flow of information about the chemical and material characteristics of plastic products traded internationally.”
- The 2019 ‘plastic waste amendments’ to the Basel Convention
  - Request for the Basel Convention Secretariat to develop a draft proposal on amendments to the HS to facilitate implementation
- At the national and regional level
  - More granular trade classifications to enable better monitoring and regulation of trade in certain plastics and plastic products. Several countries are currently considering options for further amendments.

# Shortcomings of the existing HS classification in relation to information needs for tackling plastic pollution

- Insufficient differentiation of primary plastics by polymer type and by feedstock (e.g. fossil fuel feedstocks, bio-based feedstocks, and recycled feedstocks)
- Insufficient differentiation of POPs and other harmful chemical additives
- Insufficient breakdown of single-use plastics of high environmental concern
- Gaps in the range of products that are classified as plastics
- Varying detail on the share of plastics embedded in products
- Limited information on the material composition of plastic products and waste, including by polymer types and the presence of harmful chemical substances of high environmental and health concern.
- Missing information on plastic packaging that is an integral part of other traded products
- Inadequate classifications of plastic waste (including poor alignment with Basel Convention amendments)

## Options for 2027 HS amendment cycle

Feedstocks and additives
<ul style="list-style-type: none"> <li>· Add specific HS codes for POPs &amp; other harmful chemical additives used in plastics, starting with ones controlled by Stockholm or Rotterdam Conventions.</li> </ul>
Plastics in primary forms
<ul style="list-style-type: none"> <li>· Create new HS subheadings to better disaggregate primary polymer types, many of which are identified in national legislation or regulations.</li> </ul>
<ul style="list-style-type: none"> <li>· Create new HS subheadings for the most commonly recycled primary polymers, such as recycled ethylene, propylene, and styrene polymers.</li> </ul>
<ul style="list-style-type: none"> <li>· Amend Section Notes for Chapter 39 to guard against misclassification or disguise of illegal trade of plastic waste as primary plastics</li> </ul>
Intermediate and final manufactured plastic products
<ul style="list-style-type: none"> <li>· Create new HS subheadings to disaggregate intermediate and manufactured plastic products particularly associated with plastic pollution, including disaggregation by a wider range of polymers as well as mixtures of polymers and materials (focusing on those products</li> </ul>
<ul style="list-style-type: none"> <li>· Create new HS subheadings to disaggregate wider number of single-use plastics, focusing on those identified in national legislation as of high concern for plastic pollution.</li> </ul>
<ul style="list-style-type: none"> <li>· Amend HS subheadings to incorporate specific information for plastic products that contain POPs and other harmful chemical additives.</li> </ul>
<ul style="list-style-type: none"> <li>· Amend and create HS subheadings to reveal information about “hidden” plastic packaging associated with trade in certain products (such as pre-packaged foods, beverages and personal care products).</li> </ul>
Plastic waste
<ul style="list-style-type: none"> <li>· Create/amend HS to better align with the annexes to Basel Convention &amp; differentiate plastic wastes by greater number of polymers.</li> </ul>
<ul style="list-style-type: none"> <li>· Amend the Section Notes for HS Chapter 39 (on plastics and articles thereof) to align w/definitions in Basel Convention’s plastic waste amendments.</li> </ul>

## 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

## The HS systems and on-plastic substitutes

- A range of natural fibres and derived products are potential non-plastic substitutes for a range of single use plastic products and plastic packaging. Some of these products, such as jute, coir and sisal, as well as some derived products, have their own specific HS-6 subheadings making it easier to track trade flows. Certain value-added products such as jute, cotton and paper bags also have their own specific HS-6 digit subheadings.

Illustrative examples		
Feedstock [Category]	HS code	HS subheading description
Paper and cardboard [Natural Fibres]	4811.90	Other paper, paperboard, cellulose wadding and webs of cellulose fibres
Jute [Natural Fibres]	5303.10	Jute and other textile bast fibres, raw or retted
Sisal [Natural Fibres]	5607.21	Binder or baler twine; Of sisal
	5607.29	Other;Of sisal

Source: UNCTAD (2022). Substitutes for Single-Use Plastics in Sub-Saharan Africa and South Asia. [https://unctad.org/system/files/official-document/tcsditcinf2022d3\\_en.pdf](https://unctad.org/system/files/official-document/tcsditcinf2022d3_en.pdf)

## Plastic substitutes: Considerations for HS reform (some examples)

For many other substitutes, there no distinct HS subheading.

- For instance, there are no HS codes for banana or areca leaves, a potential material for non-plastic substitutes, or for takeout or takeaway containers made from such leaves.

The closest subheading match appears to be HS 1401.90 (“Other vegetable materials of a kind used primarily for plaiting” – for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark).

Feedstock [Category]	HS code	HS subheading description
Banana leaves <i>[Agriculture by-product]</i>	1401.90	Vegetable materials of a kind used primarily for plaiting (for example, bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and lime bark);Other

## Plastic substitutes: Considerations for HS reform (some examples)

For a number of value-added non-plastic products made from such natural materials instead of plastics (e.g. takeaway containers made from banana leaves and hemp bags), there are no specific HS codes.

Substitute product	Relevant HS code	HS subheading description
Take-away food containers and plates for food (Of banana/plantain/areca leaves)	4602.19	Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from goods of heading 4601; articles of loofah; Of other vegetable materials.
Hemp bags	6305.90	Sacks and bags, of a kind used for the packing of goods; Of other textile materials

## Next steps on HS classifications and plastic pollution: How can the WCO and customs authorities make a difference?

- Agree on the need to work together to address shortcomings of the HS classification in relation to international efforts to tackle plastic pollution
- Encourage & empower national customs authorities to explore options and develop proposals for amendments to the HS classification in the 2027 HS cycle
- Share experience, act & coordinate on 8- and 10-digit codes in domestic HS classifications that can improve trade-related data to support plastic pollution reduction efforts
- Request WTO-WCO Secretariats to cooperate on development & review of specific options
- Work with environmental & trade ministries engaged in national policymaking & international discussions on these topics
- Call for expert input from stakeholders and environmental experts on specific priorities and recommendations
- Explore technological options and promote cooperation on standards that can also support transparency of trade flows across the life cycle of plastics.

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To read the policy brief and research paper see:

<https://tessforum.org/news/publications/plastic-pollution-and-trade-across-the-life-cycle-of-plastics-options-for-amending-the-harmonized-system-to-improve-transparency-2/>

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## POLICY BRIEF

### Plastic Pollution and Trade Across the Life Cycle of Plastics: Options for Amending the Harmonized System to Improve Transparency

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May 2022

#### Key Insights

- In March 2022, governments agreed at the United Nations Environment Assembly to launch negotiations to forge an international instrument on plastic pollution by the end of 2024.
- To tackle the plastic pollution crisis, a growing number of countries are implementing policies to better regulate international trade in plastic waste and an array of plastic products and inputs.
- With trade across the life cycle of plastics worth over \$1 trillion, trade plays a key role in the global plastics economy and trade policies are important in shaping international plastics trade.
- A critical missing piece for effective, evidence-based policymaking to tackle plastic pollution is reliable and disaggregated data on cross-border trade flows across the life cycle of plastics.
- As the collection of trade data is underpinned by the World Customs Organization's (WCO) Harmonized System (HS), this international nomenclature is an important starting point for a more granular picture of trade flows across the life cycle of plastics.
- This policy brief identifies gaps and challenges in the HS that are relevant to efforts to tackle plastic pollution. It then puts forward options for amending the HS that would facilitate monitoring and regulation of trade flows across the life cycle of plastics.
- Drawing from the range of potential HS amendment options identified, the paper recommends a subset of options that could feasibly be pursued in the current 2022–2027 HS amendment cycle at the WCO.
- The options also serve to inform international cooperation on how trade policies could support efforts to tackle plastic pollution, including through negotiations for a new international instrument on plastic pollution, implementation of the Basel Convention "plastic waste amendments", and the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (IDP) at the World Trade Organization.

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