



South African Plastics Recycling Organisation

November 2021

NEWSLETTER

FOREWORD

In many ways, 2021 has been a continuation of last year's hardships. South Africans continue to experience the negative impacts of an ailing economy: petrol prices are set to reach over R20.00 per litre by the end of the year, frustrating power interruptions continue unabated and negatively impacting on business and society at large. The pandemic which by now we have learned to live with, is also compounding the uncertainty in our day to day living. Hopefully every South African is by now aware that we must continue to wear masks and maintain healthy distances in public spaces. We can avoid the 4th wave and enjoy the upcoming festive season by behaving responsibly.



Since this is our last edition for 2021, I trust you will enjoy reading about all the latest news and industry developments. On behalf of the SAPRO team, we wish you all a restful and relaxing festive season and success for the New Year. We look forward to working further with all of you in the New Year and (pandemic permitting) visiting you in person!

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TOGETHER TOWARDS A CIRCULAR ECONOMY

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FROM THE CHAIRMAN'S DESK

Johann Conradie

Plastic is our wonder-material of the last 50 years, and has played a major role in enabling improved sanitation, health outcomes, quality of life and many other things. Amongst its many merits, it plays a major role in distributing food globally and extending the shelf life of fresh products. It also enables the convenient lifestyle we all enjoy today and will continue to enable this in future.

Unfortunately, its strength however, is also its biggest weakness. At the heart of the matter is that the widespread benefits associated with the use of plastics contrast sharply with the way the world manages its end-of-life disposal – the so-called 'Plastics Dilemma.'

This is not a problem that will be resolved via social media. Nor will it be resolved by standing by and not pinning our colours to the post and taking action. To solve the problem of plastic in the environment we require the entire value chain to onboard, roll up their sleeves and work collaboratively, to REALLY SOLVE THE PROBLEM!

There has been too much finger pointing and scape-goating, too much fence sitting, too little imagination and commitment and not enough old school elbow grease being put into finding end-of-life solutions for our plastic waste.

Many organisations blame consumers for littering, and that has a lot of truth in it, but society in general and specifically consumers have made up its mind in that they want the value chain, which make and sell the problem materials (and profit from them), to take on the responsibility and solve the issue through systemic change.

This means that brand owners, retailers, NGO's, convertors, recyclers, waste management and collectors should all be working together to design better, reuse better and start including recycled plastic in their packaging.

In this process some product ranges will have to be replaced by other products and in some cases production and processes might have to be redesigned to achieve a circular economy for plastics.

This does not mean that jobs will be lost or less products will be manufactured and/or sold, it just means that different, but BETTER products and processes will have to be designed.

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I, for one, won't be walking out of PnP with my mincemeat and braai chops in my hands or drink my coffee directly from the urn. We NEED packaging – but clever, fit-for-purpose, circular packaging, which adds value to our lives and will not land up being thrown away.

Declining recycling rates (both input and output) in SA have resulted in us reaching a plateau. A few years ago, Europe was far behind SA with recycling rates and the range and quality of products available using PCR – unfortunately, they have now surpassed us.

The voluntary commitments through the South African Plastics Pact has shown what can be done when a group of businesses and organisations collaborate to find solutions. Eco-design is impossible for any single company to achieve on their own. We have a systemic problem and systemic change can only be achieved when everyone works together on a common strategy.

We have seen strides being made by the members of the SA Plastics Pact and I personally am very excited to see the further impact in the months and years to come. Actions taken by members are starting to bear fruit by removing significant barriers that has been hindering the recycling industry for decades.

Finally, we have to find new ways to create demand. To meet increased consumer demand for responsible packaging, we need to use more recycled content in to drive the entire value chain. Without this growth in demand, we will continue to have a stagnating circular economy for plastics. Demand drives value, value drives investment, investment drives the cogs of the recycling economy.

Extended Producer Responsibility: Section 18 legislation



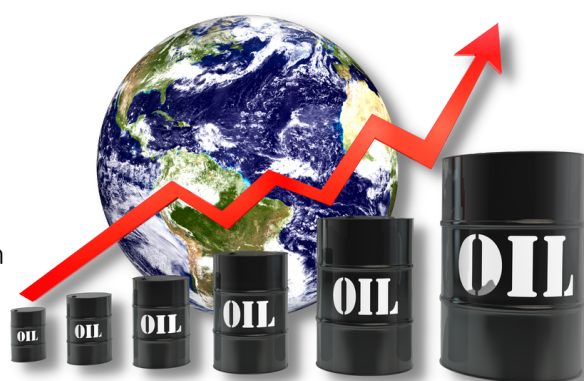
We have now passed the 5 November deadline for all producers of paper & packaging to register and comply with the Extended Producer Responsibility (EPR) legislation promulgated by the Department of Forestry, Fisheries and Environment (DFFE).

We trust that all those affected by this regulation have registered with DFFE and the relevant Producer Responsibility Organizations (PRO's) or alternatively have prepared and submitted their own EPR plans. We expect to get a sense of the level of compliance from the DFFE by the beginning of February 2022.

Global polymer prices continue their upward trajectory

The steady increase of crude oil, from around USD40 a barrel a year ago to over USD80 today, has seen significant increases in the international prices of all virgin polymers. South Africa's two local polymer producers have always priced on import parity and the consequence of these higher global prices, coupled with massive increases in shipping costs and a slowly deteriorating exchange rate, have resulted in the prices of the locally produced resins reaching unprecedented levels.

Whilst this may be of some concern to many converters and brand-owners it does provide a positive economic opportunity for the recycling industry to meet the growing market demand for more and better quality recycle.



Plastics Recycling Figures for 2020 released

Plastics SA has just released the official plastic recycling stats for the year ending 31 December 2020. Each year, data is collected from plastics recyclers around the country by Plastix 911 on behalf of Plastics SA. PETCO provides figures from their listed PET recyclers, whilst Sasol and Safripol provide input on the production and domestic demand of plastics raw materials. Highlights of the 2020 report are as follows:

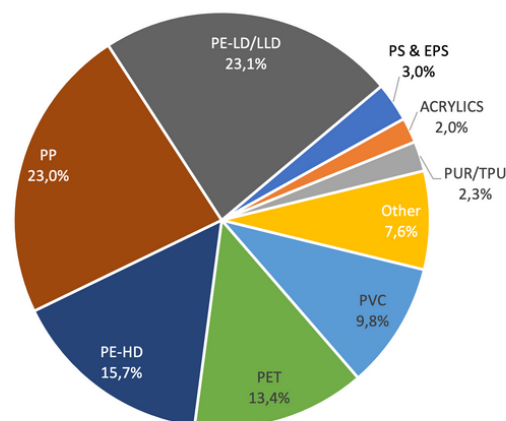
Domestic Consumption:

- In 2020, South Africa converted 1 739 480 tons of polymer into plastics products, a decrease of 5.6 % from 2019. This is the total amount of locally produced polymers, imported polymers and recycled polymers sold to local convertors in South Africa, and excludes polymers exported, virgin and recycled. Locally recycled polymer represented 17.0 % of the total domestic consumption, a drop from 18.3 % in the previous year.
- Per capita consumption for locally converted plastics (virgin and recycled) decreased to 29 kg/person (31 kg in 2019). Per capita consumption for virgin material only, dropped from 26 kg to 24 kg. Virgin consumption increased by 11% since 2011, whilst recycled tonnages, locally converted, increased by 35% in the same 10 year period.
- The direct contribution to the country's GDP remains at 2.3 % but this represents approximately 20 % of our manufacturing GDP.

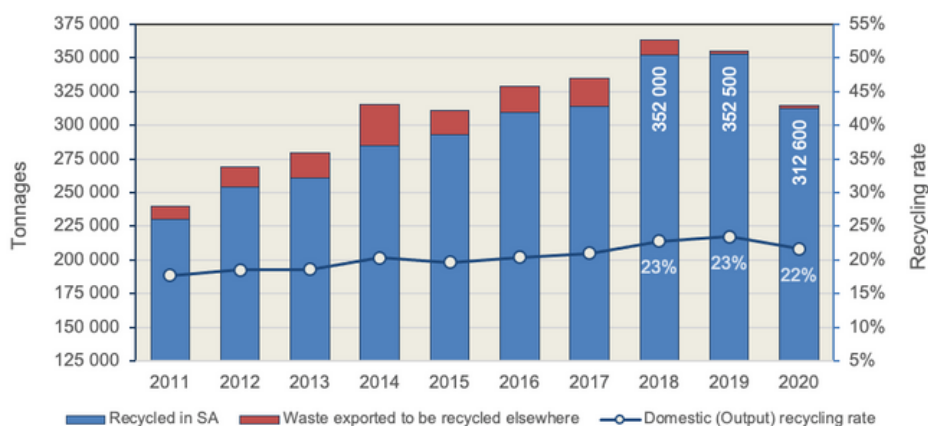
Market Sectors

South Africa's plastics industry is dominated by the packaging sector (which accounts for roughly 52 % of the local market), followed by building & construction 13 %), agriculture (9%), automotive and transport applications (7 %)

- Due to increased awareness of hygiene caused by the outbreak of the Covid-19 pandemic, the demand for flexible packaging increased from 20 % in 2019 to 22 % in 2020.
- Demand for rigid packaging (linked to on-the-go meals, PET beverage bottles and take-away containers) shrunk, although packaging for domestic- and personal care increased due to the stronger emphasis on cleaning and the increased demand for hand sanitisers. Packaging sheeting was also used to manufacture face shields locally.



Distribution of virgin materials locally converted in 2020



Recycling

South Africa recorded an input recycling rate of 43.2 % during 2020. 461 500 tons of plastic waste were collected for recycling, of which 312 600 tons were successfully recycled back into raw materials. 296 500 tons of recyclate were used the country; 97 260 tons were recycled into new packaging.

In an attempt to improve the quality of the incoming recyclables, as well as to reduce their costs, an increasing number of recyclers started going directly to the waste generators. This allowed them access to cleaner materials and maintain their margins, albeit at lower quantities.

- 64 % of the incoming waste came from landfill and other post-consumer sources. Of this, the majority of the volume (54 %) was sourced from the formal sector, collectors and waste management companies. Most plastics were baled, but some were also loose materials.
- 18 % of the waste was post-industrial materials, sourced from distribution centres, shopping centres, farming communities and other waste generators.
- Although very critical to the value chain, only 3.6 % of recyclables were obtained directly from waste pickers and walk-ins. A further 6 % was collected from drop-off facilities and buyback centres.
- Recycling of plastic waste saved 213 500 tons of CO₂ – the equivalent of 45 000 cars.

Job creation and contribution to GDP

Approximately 52 100 informal income opportunities were sustained through plastics recycling in 2020. These included waste pickers and employees of smaller entrepreneurial collectors.

- The plastics recycling industry paid R2.1 billion for recyclable plastic waste to the informal collection industry by.
- The plastic industry's direct contribution to the country's GDP remains at 2.3 %, representing approximately 20 % of our manufacturing GDP.

Some of the key findings of 2020:

(All of these findings are for 2020, unless stated otherwise and for publication purposes, the figures are rounded to the nearest 100 tons.)



**1,739,500
TONS**

**THE AMOUNT OF PLASTICS
PRODUCED
IN SA DURING 2020**

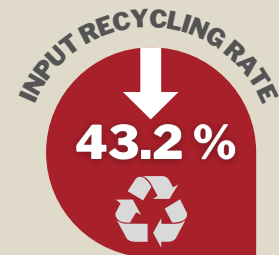
461,500 TONS

PLASTICS WASTE COLLECTED FOR RECYCLING



**296,500
TONS**

RECYCLATE USED IN SA



52,100

INCOME OPPORTUNITIES

RECYCLING SAVED
**214,500
TONS**



**THE EQUIVALENT TO THE
EMISSIONS OF**



45 000 CARS

SAPRO'S BEST RECYCLED PLASTIC AWARDS 2020

It was a pleasure and an honour to be part of this year's Best Recycled Plastic Product of the year awards. We were thrilled with the quality and range of products entered, all bearing testimony to the growth our industry has seen in the development of new end-markets for recycle. From skirting boards, dado rails and air conditioner ducts, to water tanks, household cleaning bottles, school desks, rat traps and owl houses, the creativity was endless.

This year's entries also demonstrated that the only limit to the use of recycled plastic, is one's own imagination. Our sincere thanks goes all the participants who entered, the sponsors who supported and made this event a success, and the panel of judges who took time out of their busy schedules to spend a day helping us adjudicate and deciding the results of the competition.

OVERALL WINNER: PNP TROLLEY BY SUPERCART SA (PTY) LTD

A humble supermarket trolley, which most of us use at least once a week, was crowned the Best Recycled Product of the Year at the South African Plastics Recycling Organisation's (SAPRO) biennial competition which took place on Thursday, 14 October 2021.

The trolley, manufactured by Supercart SA (Pty) Ltd for Pick n Pay and entered for the Consumer & Leisure category, was made from High Density Polyethylene (PE-HD) and consists of 50 % post-consumer recycle provided by MyPlas.

Commenting on what impressed the judges the most about the trolley, SAPRO General Manager Phil Sereme said: "Large, everyday articles that are well-made promote recycling in the best possible manner. Plastics need all the help they can get to remove the discomfort consumers associate with recycled products and the trolley goes a long way in achieving that. PE-HD is fully recycled in South Africa and large mouldings are particularly popular for recycling. It opens up the way for retailers to demonstrate circularity in an everyday product".



"I don't think people will ever look at their supermarket trolley in the same way again. Once you understand the large amount of effort that MyPlas has put into collecting and recycling the plastics used to produce this trolley, combined with the innovation and manufacturing expertise of the Supercart team, you start to appreciate the rich tapestry of hard work that makes each trolley a work of art!"

Phil Sereme
General Manager: SAPRO

Category winners

The 2021 SAPRO awards had various new categories in which entries could be submitted. Products were judged on a number of criteria, including life expectancy and sustainability of product, measures that were taken to ensure product consistency and customer satisfaction despite recycled material content, tonnages (or potential tonnages) of plastic waste that were converted and diverted from landfill, as well as the technical achievements in manufacturing to overcome recycled material challenges.

The following entries won Gold Awards:

- **Coca Cola Beverages SA (Pty) Ltd** for its Bonaqua PET bottle (recycled by Extrupet) in the category Packaging for Food & Beverages.
- **Mpact Plastics** (FMCG Pinetown) for rHDPE household cleaner bottle produced for Unilever (recycled by Myplas) in the category Packaging for Non-Food Products.
- **Adventure Automotive Products (Pty) Ltd** for its air-conditioning duct product (recycled by Myplas) in the category Technical & Engineering.



Silver Award Winners:

- **Mpact Versapak's PETZorb Range:** Packing of fresh meat, chicken or fish in such a way that it stays attractive and does not show liquids. A brilliant design that captures the liquid and eliminates the need for an absorption pad in each tray which comes at an additional cost and cannot be recycled. *Recycler: Extrupet.*
- **USABCO / Addis Roughtote 110L:** A large injection moulded product that is strong and offers superior finish. Addis have over the years showed their commitment to recycled content and the label on the tote makes it clear to the consumer. *Recycler: MyPlas.*
- **Fenix Rising's Water Tank:** The judges were impressed by the manufacturer's ability to rotomould PE-HD successfully into a final product with a couple of years life expectancy. The Water Tank offers a solution to a relatively difficult waste stream and is a clear sign of good cooperation between recycler and converter to find a suitable solution. *Recycler: MyPlas.*



Bronze Award Winner:

Plastic Pallet by Tufflex Plastic Products Pty Ltd.

The application of polywood profiles manufactured from mixed waste is well known. The most common application is into park benches and picnic furniture. The durability of polywood profiles makes it an ideal product for re-usable inhouse pallets. It is splinter-free, hygienic, can be steam-cleaned and incredibly robust and will withstand forklift abuse. *Recycler: Tufflex*

Judges Special Mention:

School Desk by Danone SA

It is partly thanks to this initiative by the brand owner (Danone SA) that schools have begun to see the value of recycling first-hand. Pupils were encouraged to bring their clean yogurt tubs and other domestic packaging waste to school which would be used to produce these desks for under privileged schools. The smooth and glossy top adds value to their strong and stunning looking desk. *Recycler: Extruwood & Infinite Industries*

We would like to thank all the plastic recyclers, innovators, converters, product designers and developers who demonstrated their commitment to the environment and saving resources by entering our Recycled Plastic Product of the Year Awards. This is an opportunity like none other to highlight the phenomenal work being done by recyclers in South Africa and to bring the innovative, exciting new products being developed to the attention of market leaders, brand owners and the media as we strive to improve market acceptance for products made from recycled plastics by bringing them into the mainstream.

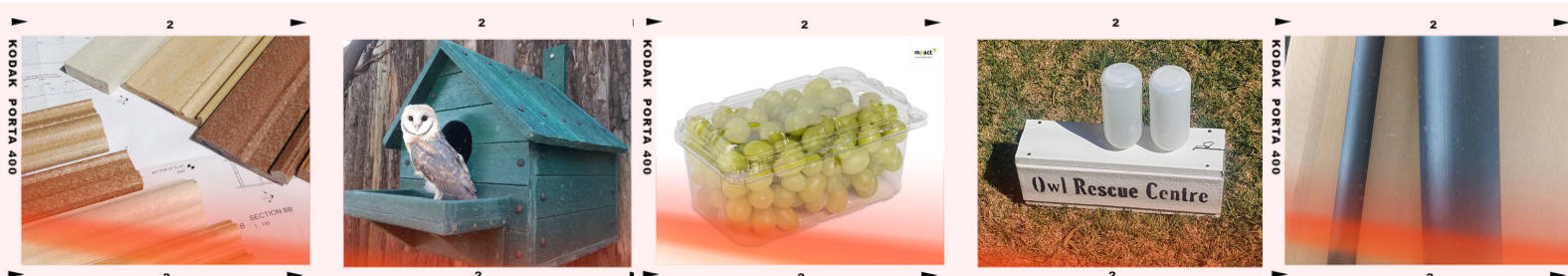


"The judges were looking for products that created new end-markets for recycle and that would continue to be in demand five years from now. We can honestly say that all the products entered for this year's competition had a "Wow factor" that will cause people to start thinking differently about recycled materials"

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