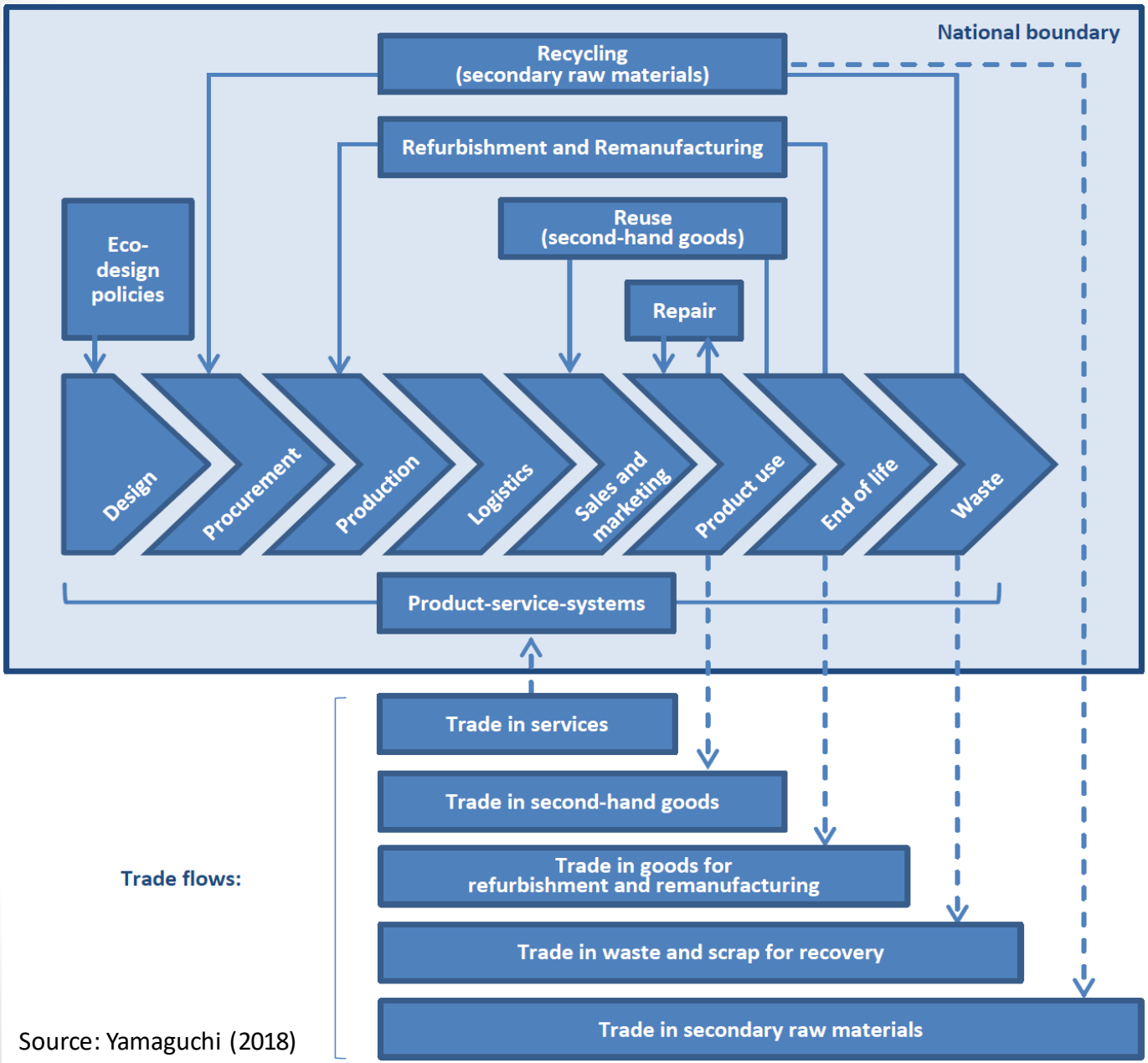
Mapping of trade aspects relating to circular economy - circularity

TESSD Working Group on Circular Economy - Circularity

5 October 2022

WTO OMC

Linkages between international trade and CE



Source: Yamaguchi (2018)

WTO OMC

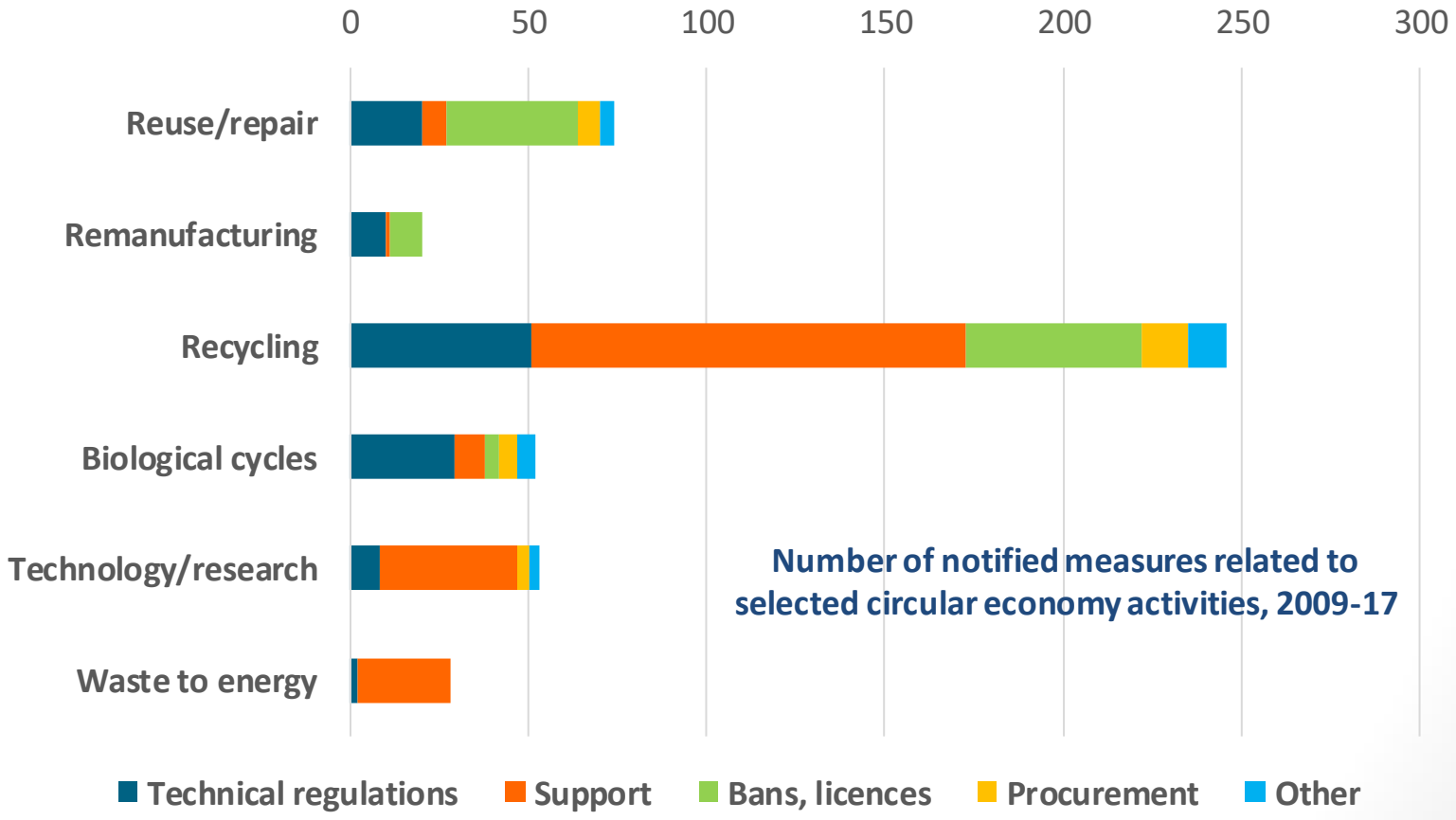
Trade flows in goods and services related to the CE

- Waste & scrap
  - USD 95 billion in 2018 (metal – 82%; paper – 12%; plastics – 3%)
- Secondary raw materials
  - E.g. sorted metal scrap, recycled plastic pellets
- Second-hand goods
  - E.g. second-hand textiles, used cars, used tyres
- Goods for remanufacturing and refurbishment
  - Capital intensive goods (heavy equipment, airplanes, vehicles, computers, printers and toner cartridges), and medical devices
- Services
  - IT; professional, technical, and business services; maintenance, repair, and installation; sewage and waste collection; and construction services.

WTO OMC

The interface between trade and circular economy policies

- Most notified measures focus on downstream segments, with only a handful pertaining to design and other upstream segments



Source: Steinfatt (2020)

WTO OMC

Trade policy aspects of the CE

- Definitions and classification of end-of-life-products
- Standards and conformity assessment procedures
- Government support
- Quantitative restrictions and licensing requirements
- Government procurement
- Environmental goods and services - technological solutions
- Trade facilitation
- Trade-related capacity building – Aid for Trade

WTO OMC

Illustrative examples of experiences shared in TESSD (1/2)

Member	Example Policy
Lifecycle stage: Design and Production	
Korea	Korean (or K)-Circular Economy Implementation Plan including eco-friendly designs which facilitate re-use and re-production.
Saudi Arabia	Circular Carbon Economy Program to address both material wastes and emissions flows through the removal of carbon in the circular cycle.
European Union	EU Ecodesign Directive to remove waste and chemical materials from product design at inception, and applicable to a broad range of products
Lifecycle stage: Product Use	
Canada	Right to Repair and Value Retention Strategy to extend lifetime of products and reduce waste, save materials and create employment opportunities.
United States	Sustainable Materials Management to reduce the life cycle impacts of materials and reducing the creation and disposition of waste.
Chile	Extended Producer Responsibility Law for the proper management of waste generated by products that are sold on the domestic market (technical and electronic equipment, batteries, packaging, newspapers and magazines, tyres, batteries, oils and lubricants)

WTO OMC

Illustrative examples of experiences shared in TESSD (2/2)

Member	Example Policy
Lifecycle stage: End-of-Life	
European Union	EU Waste Legislation to reintroduce secondary raw materials and recycle waste into the economic cycle.
Switzerland	Environmental Protection Act and Ordinance on Beverage Containers for the collection and reuse of certain goods, including in the generation of electricity and district heating.
United States	National Recycling Strategy to increase access to recycling services, reduce environmental impacts in communities, and stimulate economic development including through reduced need for raw materials.
Colombia	National Circular Economy Plan to increase the recycling rate from 8% to 12.5% and promote efficiency in the use of materials, water and energy, taking into account the resilience of ecosystems and the circular use of material flows.
Japan	Act on Promotion of Resource Circulation for Plastics to promote the circularity of plastic resources.

WTO OMC

Selected suggestions to advance discussions

- **Focus discussions on specific stages of life-cycle**
  - Design and production phase of goods (e.g. international standards)
  - End-of-life: interplay between trade and waste rules (e.g. including value retention or creation of fast track processes with reduced procedures for high-quality waste recycling)
  - Circularity of material flows and emissions
- **Focus on interactions between WTO and climate-aligned circular economy**
  - Trade-related aspects of a climate-aligned circular economy (e.g. trade facilitation for reverse supply chains, circular economy for goods that support decarbonization, remanufacturing)
- **How?**
  - Mapping exercise of trade aspects of circular economy
  - Survey to catalogue measures taken to advance national resource efficiency and circular economy targets.
  - Compile best practices to achieve a more resource-efficient circular economy

WTO OMC

Thank you

rainer.lanz@wto.org

WTO OMC