



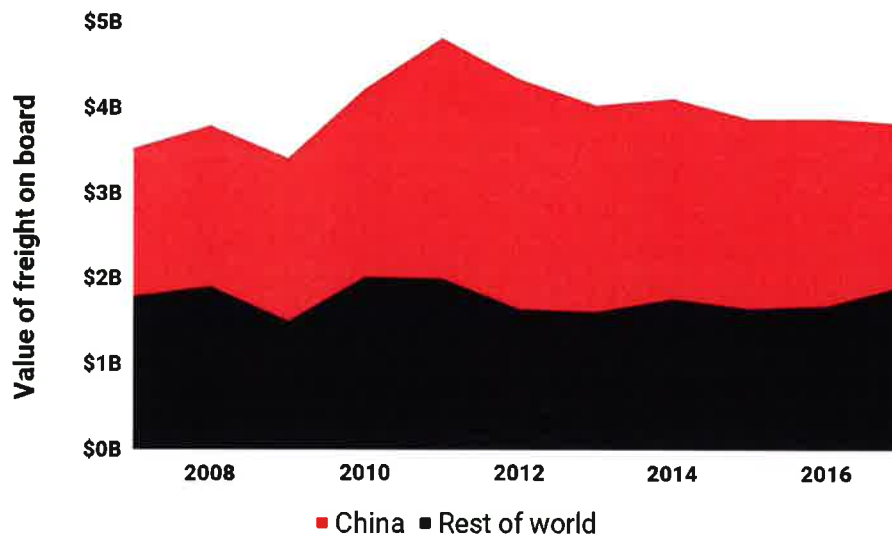
5 charts that show the trade flow effects of China's import policies

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Modern residential recycling programs in the U.S. were built on the back of high Chinese demand, fueled in part by low cost labor.

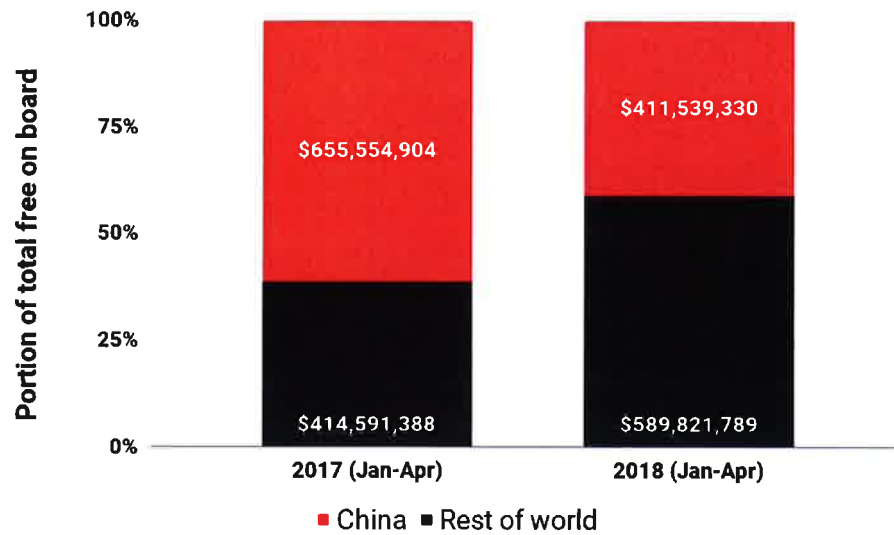
Since 2009, the U.S. has exported more mixed paper and mixed plastics to China than the rest of the world, combined.



Source: Descartes Datamyne

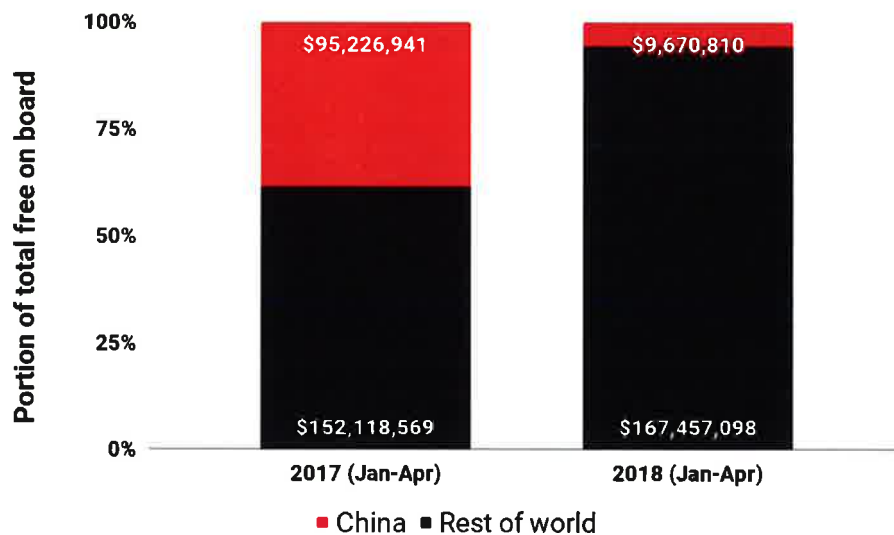
But China cracked down on imports last year, citing labor concerns and a broader "Blue Sky" environmental initiative, and it radically reduced the country's share of imports.

HS 4707 Waste and Scrap of Paper or Paperboard



Source: Descartes Datamyne

HS 3915 Waste, Paring and Scrap, of Plastics

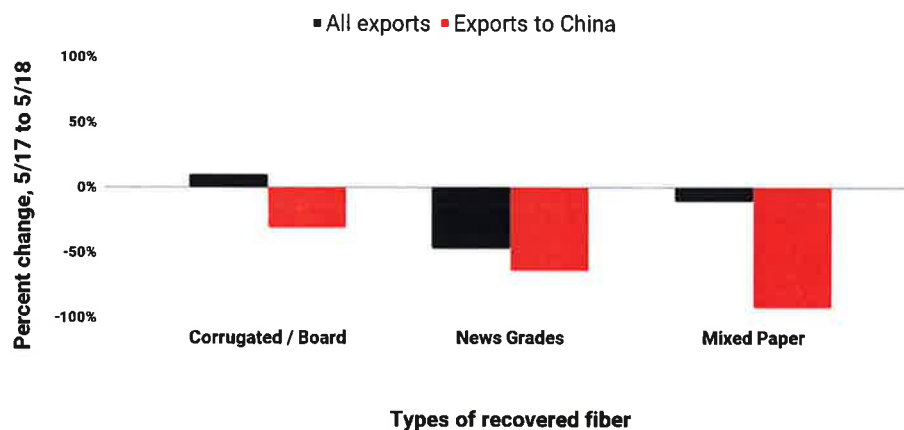


Source: Descartes Datamyne

The import ban is widespread.

The outright ban on mixed paper, and tighter quality standards for remaining materials, have drastically curtailed exports not just

to China but other countries.



Source: Institute of Scrap Recycling Industries

U.S. exporters had to find alternatives.

As brokers look for new markets, certain Southeast Asian countries become hot spots to the point of oversaturation in some cases.

Export shifts to select countries for paper and plastic scrap

All figures reflect the change between the first four months of 2017, compared to Jan. to April of 2018.

Country	Net exports (\$)	Change in paper (%)	Change in plastics (%)
India	\$86,750,558	+88%	-21%
Malaysia	\$26,894,423	+27%	+611%
Thailand	\$25,692,026	+20%	+6,895%
Vietnam	\$23,587,489	+134%	+82%

Country	Net exports (\$)	Change in paper (%)	Change in plastics (%)
Indonesia	\$14,977,355	+105%	-75%
Canada	\$6,906,785	+19%	-9%
South Korea	\$3,811,929	0%	+501%
Mexico	-\$114,763	0%	+4%
Hong Kong	-\$48,111,256	-33%	-74%
China	-\$329,571,705	-37%	-90%

Source: Descartes Datamyne

With China now doubling down on plans to potentially ban all scrap imports by 2020, and early reports emerging of other Southeast Asian countries considering their own restrictions, it's clear that this disruption to the global commodities supply chain is far from over.