

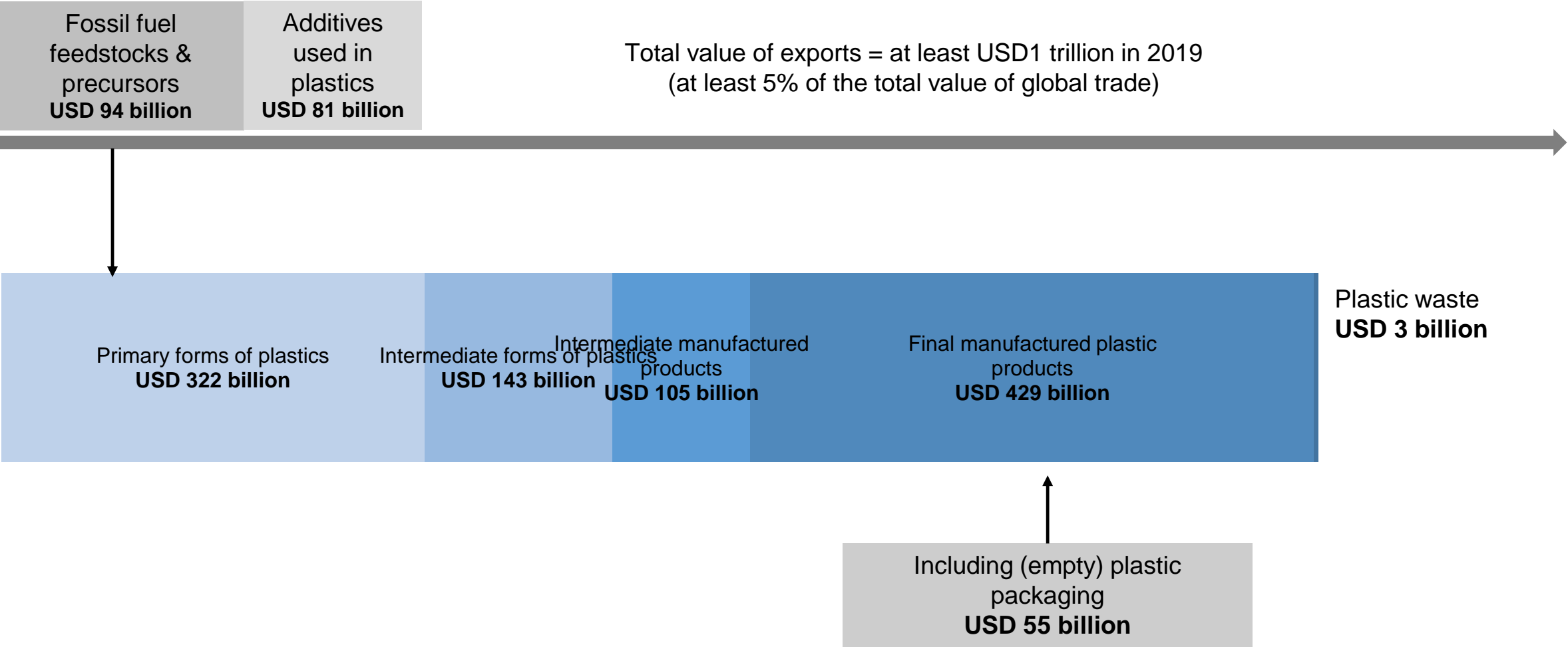
HS classification and trade data as vital tools for environmentally sustainable trade: priorities and options for future work

WCO Green Customs Global Conference
Panel 3 Discussion:

From policy to implementation: the HS and other Customs Trade Measures

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Plastic pollution and trade flows across the life cycle of plastics



Why is the HS relevant to plastic pollution and trade?

More granular HS codes would help governments design and implement policies designed to:

- Restrict or ban trade in materials and products that contribute to plastic pollution
- Regulate trade in plastic waste
- Monitor and regulate trade by plastic polymer type
- Promote trade in goods & services that can help reduce plastic pollution (non-plastic substitutes, recycled/recyclable products waste management goods & services)
- Implement effective circular economy policies, including related to
 - plastic recycling and use of recycled content
 - standards and labelling requirements for imports and exports

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

- Ministerial Statement from Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (IDP) at the WTO to boost trade-related cooperation on plastic pollution:
 - “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 utilizing the Harmonized Commodity Description and Coding System (HS Convention) of the World Customs Organization or other trade instruments or standards...and [to improve] the flow of information about the chemical and material characteristics of plastic products traded internationally.”
- Negotiations for an international treaty to end plastic pollution, where there is interest from some governments to explore options linked to international cooperation on plastics supply chains and trade
- The 2019 ‘plastic waste amendments’ to the Basel Convention spurred a request for the Basel Convention Secretariat to develop a draft proposal on amendments to the Harmonized System to facilitate implementation of the Basel Convention.
- At the national and regional level, some governments have updated their trade classifications to enable them to better monitor and regulate 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
- Gaps in the scope of products that are classified as plastics
- Varying detail on the share of plastics embedded in products
- Inadequate information on the material composition of plastic products and waste, including polymer types and the presence of harmful chemical substances of high environmental and health concern.
- Failure to capture plastic packaging that is an integral part of other traded products
- Inadequate classifications of plastic waste (including poor alignment with Basel Convention amendments)

Recommendations for 2027 HS amendment cycle

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

Next steps on HS classifications and plastic pollution: How customs authorities can 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
- Empower national customs authorities to explore options and develop proposals for amendments to the HS classification in the 2027 HS amendment cycle
- Share experience and act on 8-, 10-digit codes in domestic HS classifications that can improve trade-related data
- Call for expert input from stakeholders and environmental experts on specific priorities and recommendations
- Request WTO-WCO Secretariats to cooperate on development & review of specific options