



“The China Effect” on Recycled Paper

By John Holladay

Any country evolving to first world status will have some effect on global demand of raw materials. When that country has over 1.3 billion people, that effect is staggering.

What is the Economic Impact?

China’s consumption of wastepaper has grown by more than 500% in the last decade, making it the leading global consumer of wastepaper – by far. Wastepaper from the US and Canada is particularly attractive since it produces a stronger recycled product than other sources. Wastepaper is now one of the top exports to China from the US, with nearly 20 million metric tons of it sold to China by the US in 2006 alone.¹

When the demand for a commodity increases and the supply does not, prices go up. If you sell wastepaper, this is great economic news. From the summer of 2006 to early 2007, the selling price for wastepaper jumped nearly 60%.² However, this can mean a higher price to you if you are a buyer of the finished recycled paper, cardboard or paperboard.

What is the Environmental Impact?

There isn’t a simple answer to this question. On the surface you would think that more recycled paper products on the global market is a great thing for the environment. China’s appetite for wastepaper has prevented over 70 million metric tons of it from ending up in landfills in North America, Japan and Europe. In addition, their use of wastepaper instead of virgin fiber meant that approximately 60 million metric tons of wood was not harvested for pulp.¹

However, there is bad news as well. First consider the pollution impact of transporting this gigantic amount of wastepaper from North America to China and possibly then back to North America as finished paper product. Also take into account that China is using coal powered facilities to convert the wastepaper to recycled paper. This process is much dirtier than hydro power used by many North American facilities. The result? In some cases a virgin (i.e. non-recycled) paper produced from forests in North America has a “greener” footprint than a recycled paper produced in China.³

What Can You Do?

I spoke with Kim Schwartz, General Manager at Mac Papers of Asheville, to get her view on this development. She says, “My suggestion is for each individual and/or company that consumes paper or any other natural resource create a sustainability policy. Additionally, there is a tool the consumer can utilize called ‘The paper consumers guide to climate change’ and this can be found at www.metafore.org. One more thing, the consumer needs to be mindful that ‘recycled’ should not be the only environmental consideration when determining a sheet. Consider the carbon footprint of the sheet. Where was it manufactured? How far did it travel to get to its final destination? How much fuel was used to transport it? What energy source did the mill used to make the paper? Hydroelectric, coal-fired, biomass, natural gas, wind power, etc.”

¹ “Voracious China Gobbles up Forests, Recycled Paper.” Terra Daily. July 13, 2007 [\(link\)](#)

² “China Scooping up Recycled Newsprint.” Canada.com. February 7, 2007. [\(link\)](#)

³ “Why Recycled Content Isn’t Good Enough Anymore.” AXIS Performance Advisors. Summer, 2007. [\(link\)](#)