THE BORNEO POST

Embedding the plastics sector with circular economy

Plastics make up a major part of our lives and the economy. Its flexibility, pliability and applicability explains why plastic is used across almost every sector, including and not limited to produce packaging, building and construction, textiles, consumer products, transportation, electrical and electronics and industrial machinery.

Researchers at Reportlinker via its recently published 'Plastic Material And Resins Global Market Report 2022' expects the global plastic material and resins market to grow from US$714.72 billion in 2021 to US$803.08 billion in 2022 at a compound annual growth rate (CAGR) of 12.4 per cent.

The market is expected to grow to US$1.24 trillion in 2026 at a CAGR of 11.6 per cent. The plastic materials and resins market consists of the sales of plastic materials and resins by entities (organisations, sole traders, or partnerships) that manufacture plastic materials, resins, and nonvulcanisable thermoplastic elastomers, and mix and blend resins on a custom basis and/or manufacture non-customised synthetic resins.

The main types of plastic materials and resins are polypropylene-plastic material and resins, high-density polyethylene, polyvinyl chloride, polyethylene terephthalate, polyurethane, low-density polyethylene, polystyrene-plastic material and resins, and other types of plastic material and resins.
Polyvinyl chloride is a thermoplastic made of 57 per cent chlorine derived from common salt and 43 per cent carbon derived from ethylene from hydro-carbon feedstocks, sugar crops, crude oil, and natural gas.

The applications involved are packaging, housewares, bags, sheets, bottles, fibers, tapes, films, medical materials, and other applications.

The end-user industries chemical industry, the coating and printing industry, the electronics industry, food, and pharmaceutical industry, and other end-user industries.

"Asia Pacific was the largest region in the plastic material and resins market in 2021.North America was the second-largest region in the plastic material and resins market," Reportlinker said, adding that the regions covered in the plastic materials and resins report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, and Africa.

However, these lends into another issue: sustainbility. Malaysia's issue with garbage is no joke, and as plastics make up a majority of that, it begets the question: How do we reduce plastic wastage?
The answer to solving the plastic pollution problem lies in circular economy, more specifically for the plastic manufacturing industry.

The 12th Malaysia Plan announced on September 27 last year prioritised advancing sustainability, with one of the game changers being embracing the circular economy.

The circular economy is needed to extend the lifecycle of a product, particularly one as damaging to the environment as single-use products, which involves refurbishing, repairing, reusing, and recycling a product for as long as possible.

Kenanga Investment Bank Bhd (Kenanga Research) Kenanga Research in a special report on this topic observed that sales turnover for Malaysia's plastics sector increased by 2.3 per cent to RM48.5 billion

in 2020 from RM47.4 billion in 2019, charting positive growth in spite of the Covid-19 pandemic, based on data from the **Department of Statistics.**

“As the plastic packaging sector is a significant contributor to the local economy, it stands to reason that priority and urgency should be given through policy to aid the transition from a linear economy to plastic circularity,” it said in the analysis.

“The circular rconomy model is the best option for now. A recent study by The Pew Charitable Trusts and SYSTEMIQ in the US suggests that a recycling model or collect and dispose alone is not sufficient to treat the plastic problem.

“This does not account for the devastation of GHG emissions every time virgin plastics are produced. “Considering that the Malaysian government has plans to discuss the viability of carbon pricing (i.e. carbon taxes and the Emission Trading Scheme), the recommendation for the best carbon taxation system as mentioned in the 12th Malaysia plan would eventually increase the cost of virgin production due to higher emissions.”

On a macro level affecting the plastic sector, Kenanga Research noted that the 12th MP aims to: reduce GHG emissions intensity to GDP up to 45 per cent by 2030 based on emissions intensity in 2005; encourage businesses to develop the circular economy and the sharing economy models; and enhance policies, regulations, green financing and economic instruments.

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