Agenda Item 4

India Institute for Critical Action Centre in Movement (CACIM), India

Thank you Mr. Chairman. I am Swathi Seshadri from India Institute for Critical Action Centre in Movement.

Should the Treaty take a purely waste management approach it would only serve to postpone and worsen the planetary crisis. Several countries, especially developing countries, spend substantial public financial resources towards waste management, taking away valuable resources necessary for development activities by these countries. Further, given the nature of the material, waste management, including recycling and incineration, contributes to emissions of greenhouse gasses and toxic atmospheric pollutants.

Plastics are a significant contributor to the climate crisis, as approximately 99% plastics are made from fossil fuels. According to the International Energy Agency (IEA), plastics production will drive the increase in oil demand by 2028, while demand from energy and transport will decrease. By 2050, the petrochemical industry, with plastic production being their main market, will be responsible for 50% of oil demand growth. Decarbonisation techniques will have limited scope to mitigate this impact, since it is not technically or economically viable to decouple plastic production from the use as fossil fuels both as feedstocks and energy sources.

While the Global Plastics Treaty is being negotiated, key petrochemical countries are facilitating expansion of existing facilities and investments in new facilities. Researchers even 3 years ago suggested that the petrochemical industry was already facing huge overcapacity but was planning to spend a further US $400 Bn on 80 million tons per annum of new capacity. On the other hand, first indications of falling prices and company losses are being reported. We are concerned that the expansions would result in non-performing and stranded assets. Already it has been estimated that to achieve the Paris Agreement’s 2 °C objective more than 80% of all proven fossil fuel reserves would become stranded resources. In this scenario, industries dependent on fossil fuels would see high rates of assets being stranded. This would sink large amounts of public money in some countries and contribute to the debt burden in others.

As prices begin to fall in some Asia Pacific markets due to demand slowdown, polymer producers are looking to export to other manufacturing hubs. This has created a fear of dumping and is being resisted by local petrochemical giants who are approaching their government and courts to create trade barriers like introducing import duties. This affects the Micro, Small & Medium Enterprises who produce the final plastic products. This may also result in geo-political tensions among competing nations.

Apart from the cost to human health and climate, we urge the member states to take cognisance of the far reaching financial and environmental risks of development based on the exploitation of fossil fuels. We hope to see substantial intersessional work on this issue. The
only way forward is to control, limit and reduce plastic production, and eventual phasing out of virgin plastics.