Out of the Scrapyard: How Foreign Involvement Can Help Solve China's e-Waste Crisis.

1. China banned all e-waste imports, but several loopholes still exist
2. Government programs and recycling efforts have proven ineffective, raising the question of whether foreign companies can solve China's e-waste problem.
3. Shipments from the United States, Europe, and developed Asian economies such as Japan and South Korea continue to pour into the country to meet demand for second-hand electronic resources,
4. Exporters avert the country's import ban by mixing e-waste with legal waste, or importing through another Asian jurisdictions first - usually Hong Kong.
5. There are also several preferential tax schemes that foreign companies can qualify for. China's corporate income tax law (CIT), for example, specifies that income derived from an environmental protection enterprise can be exempt from CIT for its first three years of operation, and have a 50 percent deduction for its fourth to fifth years. The country also offers a reduced CIT rate of 15 percent for high-tech enterprises, which used electronic manufacturers and recyclers can qualify for
6. Qualified electronic recyclers can make substantial profits from China's vast amounts of e-waste. While it's usually difficult to generate a profit due to the complex nature of the recycling process, by collecting e-waste and properly extracting its various precious metals - such as platinum, gold, and selenium - companies can sell those metals directly or use them in their own manufacturing.
7. Attero Recycling, an e-waste recycling firm in India, is a good example of this business model. As of 2013, Attero collected and processed about 1000 metric tons of e-waste a month in India, and saw its revenues quadruple over two years to US$15 million.
8. China's e-waste recycling industry lags behind in technology. Foreign e-waste companies unwilling or unable to directly invest in the industry can franchise their technology and expertise to the Chinese market
9. In 2013, E-Waste Systems, Inc. signed a franchising agreement with a Chinese enterprise for US$0.8 million for the license of its recycling technology, and a portion of the subsequent sales made using that technology.
10. For foreign companies in China whose business model doesn't involve recycling, being involved in e-waste management projects can be a means to pass their corporate social responsibility (CSR). There are several companies that help facilitate this, such as Netspring, a social enterprise based in Shanghai that helps foreign firms pass their CSR by recycling e-waste and setting up green IT classrooms in those firms' names.
11. Clotilde Pallier, General Manager of Netspring, says "the main idea of our program is to promote a circular economy, not just by recycling in an environmentally safe way, but also by extending the lifespan of electronic devices, which helps to reduce production. Computers that are no longer good enough for a company to use still help the digital inclusion of the under-privileged population that cannot afford new ones, such as rural children, migrants, and the handicapped."
12. China needs to improve its legal system relating to e-waste management, intensify law enforcement, and comprehensively fund its recycling system
13. Targets set in China's recently released 13th Five Year Plan indicate that the government will work on this. Under the plan, investment in environmental protection is estimated to reach US$1.37 trillion, of which about US$291 billion will be dedicated to water pollution control, US$248 billion to air, and US$831 billion to soil - all areas which e-waste affects. This suggests China's market landscape for different forms of foreign investment in e-waste will continue to evolve in the future.