

InvestChile Insights - eBook Series

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Plastic Recycling Infrastructure: Investment Opportunities in Chile

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Plastic in Chile

- +1.2 million tons of plastic are generated in Chile each year.
- Today, 89% of all plastic packaging waste is collected and disposed of in landfills, 4% ends up directly in ecosystems, and just 7% is recycled.
- Of all recycled plastic, 17% is household waste and 83% non-household waste.
- Chilean industries with a high demand for plastic: Mining, Construction, Agriculture, and Fisheries account for 39% of the total.
- The bulk of the demand comes from sectors associated with final consumers and retail sales; bottles and packaging account for 8% and 48% of demand, respectively. The remaining 7% corresponds to a series of smaller categories (machinery, the automotive industry, and all plastic use not associated with the above-mentioned industries).

Demand for plastic in Chile by industry (2019)

Packaging	482,126	48%
Mining	80,354	8%
Construction	210,930	21%
Agriculture and Fisheries	80,354	8%
Retail sales*	80,354	8%
Others	70,310	7%
Total	1,004,431	100%
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*Includes household, sports, and recreation

Demand for plastic in Chile by type of resin (2019)

Type of resin	2019 (tons)	2019 (%)
PET	97,348	14%
PE (high and low density)	335,196	47%
PVC	91,846	13%
PP	88,553	13%
PS	23,556	3%
Other**	74,050	10%
Total	710,549	100%

**Includes PU, engineering and other resins.

Source: (ASIPLA, 2020)

Plastic Recycling Infrastructure

We are leading Latin America in our commitment to develop the value chain associated with a sustainable packaging industry. The new legislation, the **Chilean Plastics Pact (CPP)** as a key public-private initiative, combined with Chile’s attributes, foster the ideal scenario for new business in Chile.



The new EPR Law

In the recently enacted **Extended Producer Responsibility and Recycling Promotion** legislation, known as the EPR Law, Chile has pledged to achieve clear, ambitious targets for reducing waste, especially plastic waste, and to encourage its reuse.

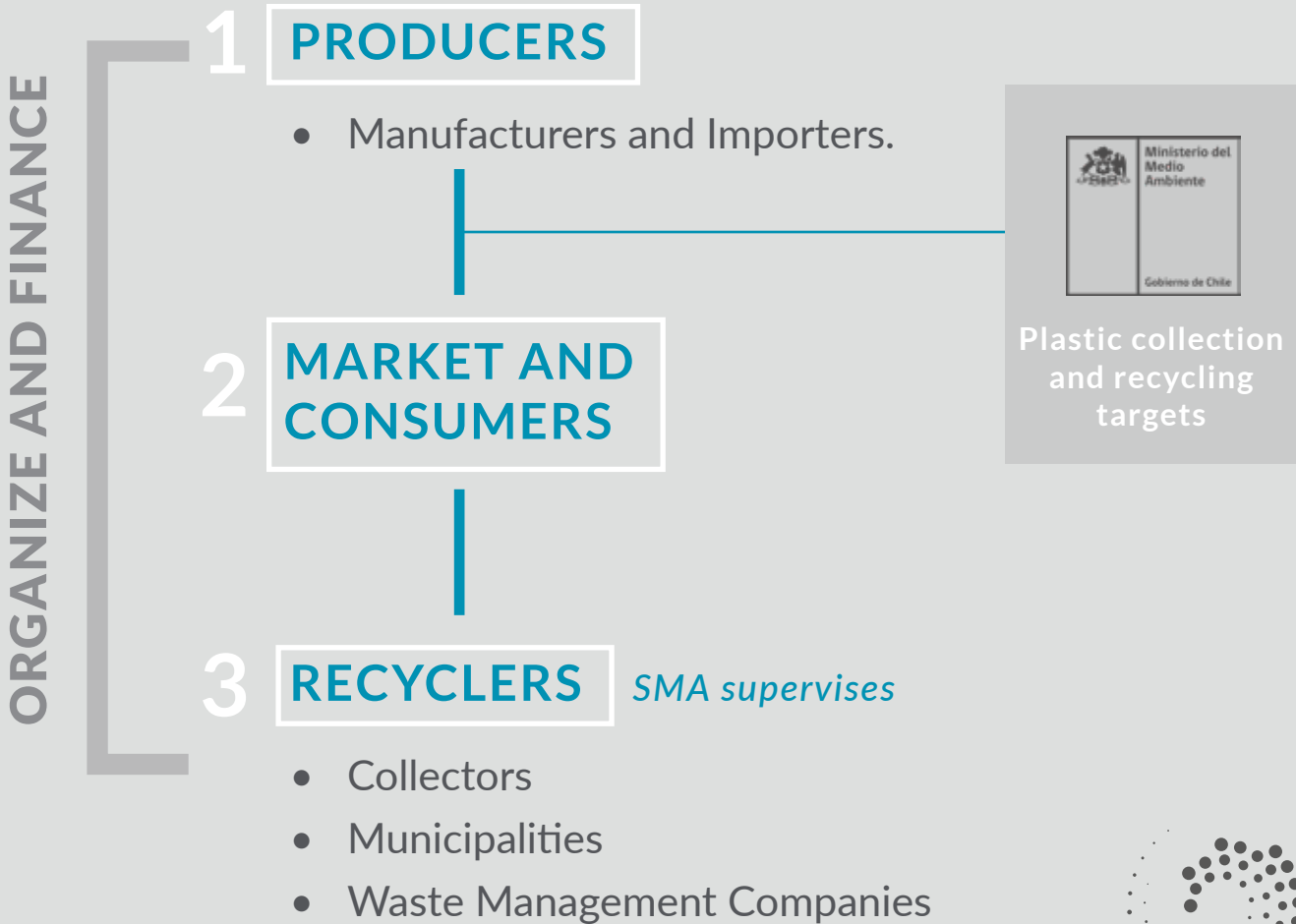
Plastic collection and recycling targets set out in the EPR Law

Year	Target (%)	Target (tons/year)
1	3%	9,713
2	6%	19,427
3	8%	25,902
4	11%	35,615
5	14%	45,329
6	17%	55,042
7	20%	64,755
8	23%	74,468
9	27%	87,420
10	30%	97,133
11	37%	119,797
12	45%	145,699

Source: (triciclos, 2021)



This is how the EPR law works:



Source: (MMA)

Chilean Plastics Pact

We were the first country in Latin America and third worldwide to officially join the Global Plastics Pact Network in 2019. A pioneering initiative promoted in the United Kingdom, in 2018, by the Ellen MacArthur Foundation.

The Chilean Plastics Pact -or PCP in Spanish- is led by Fundación Chile and the Ministry of the Environment, aiming to rethink the future of plastics by promoting a model that keeps this material in use, reducing waste in the environment. Under the Pact, experts from related areas work with the above institutions to achieve the following commitments.

4 ambitious goals for 2025:

- 1. Take action to eliminate unnecessary, problematic single-use plastic containers and utensils by redesigning and innovating.
- 2. 100% of plastic containers and packaging must be designed to be reusable, recyclable, or compostable.
- 3. 1/3 of domestic and non-domestic plastic containers and packaging must be effectively reused, recycled, or composted.
- 4. Plastic containers and packaging, in their different formats, must have an average of 25% recycled material.

New business opportunities:

More facilities, more capacities, and greater geographic diversification.

- According to the growth rates referred to in the EPR Law, while Chile currently has significant installed capacity for recycling, it will become insufficient for recycling and revalorizing the waste generated by industry in the medium and long term.
- Approximately 80% of all the available infrastructure is located in the Metropolitan Region, where the capital, Santiago, is located. It is crucial to expand this capacity throughout Chile, which is 4,200 km (2610 miles) long.
- The new legislation, synergy between public-private stakeholders, and the dynamic ecosystem are setting up new niches for investment and entrepreneurship, especially for international recycling and revalorization companies.

e-Book: Recycling Infrastructure for Plastic Packaging

For more information on the
outlook and opportunities

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