

ESG Matters

UAE: Phasing out single-use plastic bags

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Climate Change - MENA

- ◆ Abu Dhabi has imposed a ban on single-use plastic (SUP) bags from June 2022; Dubai to follow with tariffs from July onwards
- ◆ Most countries in the MENA region are at various stages of employing similar bans, but certain categories are still exempt
- ◆ Though the ban on SUP bags is a move in the right direction, sustainable alternatives are required to tackle plastic pollution

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Plastic bags on the way out in the UAE: Abu Dhabi has imposed a ban on single-use plastic bags, which is in line with the emirate's single-use plastic policy that aims to phase out single-use plastic (SUP) products over the coming years. Likewise, from 1 July onwards, the emirate of Dubai will be levying a 25 fils (cUSD0.07) charge on SUP bags, with the aim to completely ban their use within the next two years. For context, the UAE's per capita annual plastic bag usage is almost four times the global average, and c80% of the country's plastic ends up in landfills.

Implications: Other countries in the MENA region are also at various stages of implementing a ban on SUP bags; see table below. In most cases, the ban excludes plastics bags with a thickness greater than a certain limit (generally, c35 microns) and other non-reusable plastic items. While we see the ban on thin SUP bags as a positive move, factories producing plastic bags will still continue to manufacture exempt categories. In Bahrain, e.g., 80% of local plastic bag manufacturers will continue to produce exempt categories of plastic products, post the phasing out of SUP bags in September 2022.

The way forward: The EU SUP ban, which was imposed last year, includes a number of other SUP items apart from SUP bags. It also extends producer responsibility to the costs of waste management. Given that globally, c9% of plastic waste is recycled and a large proportion still ends up in landfills, we see a ban of SUP bags as just a first step towards tackling plastic pollution and generating consumer awareness. In our view, consumers and plastic manufacturers should be presented with sustainable alternatives; unlike base metals, which can be recycled an infinite number of times, even the most recyclable version of plastic can generally be reused only three to five times.

Single-use plastic ban across the MENA region

Country/region	Restricted plastic category; other details	Stage
Abu Dhabi	Ban on SUP bags; to encourage use of re-usable products, plan to ban 16 SUP products and phase out some single-use styrofoam products by 2024	Implemented (Jun 2022)
Bahrain	Ban on import, distribution and sale of lightweight SUP bags	From 19 Sep 2022
Dubai	Fee on plastic bags; complete ban in next two years	From 1 Jul 2022
Kuwait	Ban on SUP products on ships on Kuwaiti water; no directive for inland	Implemented (Jan 2020)
Oman	Ban on SUP bags; fines on rule violation	Implemented (Jan 2021)
Qatar	Approved a draft resolution prohibiting SUP bags	Draft stage
Red Sea province, Egypt	Ban on SUP bags; some businesses (hotels, etc) are excluded	Implemented (2019)
Sharm El-Sheikh, Alexandria, Egypt	Ban on SUP bags; to provide support to plastic producers with alternatives such as biodegradable bags	Implemented (Mar - Apr 2022)
Saudi Arabia	Replaced a number of SUP products (produced or imported) with alternatives made of approved biodegradable material	Implemented (2017)

Source: Government agencies.

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The global ESG calendar: upcoming events

2022	Location	Event
1 June	Virtual	UN Global Compact Leaders' Summit 2022
6-9 June	Washington, DC	2nd Annual Sustainability Week US
14-15 June	London, UK	Responsible Investor Europe 2022
15-17 June	California, USA	2022 IEEE/AIAA Transportation Electrification Conference And Electric Aircraft Technologies Symposium
26-30 June	Katowice, Poland	World Urban Forum 11
28 June	London, UK	Climate Investment Summit
27 June-1 July	London, UK	Leadership Summit for Sustainable Built Environments
28-29 June	New York, USA	GreenFin 22
22 July	Singapore	ESG World Summit and GRIT Awards
TBD	Kunming, China	UN Biodiversity Conference (CBD COP 15) (Part 2)
12-13 October	The Hague, Netherlands	2022 Global Impact Investing Network Investor Forum
18-19 October	Toronto, Canada	Responsible Investor Canada 2022
07-18 November	Egypt, Sharm El-Sheikh	United Nations Climate Change Conference, COP27
6-7 December	Virtual	Accelerating the Transition to a Climate-Positive Future
2023	Location	Event
28-29 March	TBD	ESG & Climate Risk Summit Europe 2023

Source: HSBC

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