

**PRESS RELEASE****IN RESPONSE TO PROPOSED MORATORIUM ON PLASTIC WASTE IMPORTS**

PETALING JAYA, 21 January 2026 – The Malaysian Plastics Manufacturers Association (MPMA) acknowledges the recent proposal by the Malaysian Anti-Corruption Commission (MACC) for a six-month moratorium on the importation of plastic and electronic waste. We commend the Government's unwavering commitment to strengthening enforcement, enhancing transparency, and safeguarding our environment. However, we wish to express profound concern that a blanket suspension of legally regulated imports would inadvertently harm Malaysia's legitimate recycling industry, undermine circular economy goals, and penalise compliant businesses. MPMA believes the core issue lies not with the established regulatory system, but with illegal operators and gaps in enforcement. Therefore, we urge a targeted, evidence-based approach that roots out bad actors while supporting responsible industry players who are integral to Malaysia's sustainable manufacturing future.

Malaysia has, in recent years, developed one of the region's most comprehensive and stringent control frameworks for plastic waste imports. The current system, managed by SIRIM in collaboration with the Department of Environment (DOE) and Royal Malaysian Customs, provides rigorous end-to-end oversight. This includes pre-shipment verification at the country of origin, strict contamination thresholds and material specification checks, mandatory digital documentation and traceability and thorough physical inspections upon arrival at Malaysian ports. This robust mechanism is designed to permit only clean, homogeneous, and genuinely recyclable materials into the country. A broad moratorium would effectively halt this controlled, transparent pipeline, while illegal syndicates may continue to operate outside the law. The focus must remain on enhancing enforcement and closing loopholes, not suspending a lawful and effective system.

It is critical to recognise that licensed plastic recyclers are heavily regulated entities, deeply invested in compliance and environmental stewardship. All legitimate operators' function under strict DOE licensing, are subject to regular audits, and must demonstrate internationally recognised, environmentally sound management practices. Our members have invested significantly in advanced processing technology, effluent treatment systems, and skilled workforce development. A blanket moratorium would disproportionately impact these law-abiding businesses, jeopardising thousands of skilled jobs, leading to stranded investments and potential closures. Such an approach risks punishing the compliant for the crimes of the non-compliant and could create market space for illegal operators to expand.

Recycled resin has evolved from a secondary input into a fundamental strategic component of sustainable plastics manufacturing. Its critical importance is anchored in its role as the key feedstock for fulfilling binding circular economy targets, including the 30% recycled-content mandates now adopted by global brands and governments. It is indispensable for ensuring our industry's compliance with these international sustainability standards, thereby securing access to international regulated markets and future-proofing our manufacturing base. Disrupting the supply of this compliant

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feedstock would compromise the industry's ability to meet regulatory obligations, undermine Malaysia's established role as a regional hub for sustainable manufacturing and jeopardize the viability of a world-class, circular plastics value chain.

We must also understand that imported recyclables serve to complement, not replace, domestic waste collection efforts. This imported feedstock is necessary to ensure consistent quality and sufficient volume for advanced recycling processes, maintain the economic viability of recycling facilities (which in turn enables them to process local waste), and justify continued investment in higher-value recycling technologies. A sudden, complete stoppage risks idling sophisticated recycling capacity, undermining economies of scale, and stalling future green investments in the sector.

Finally, policy stability is a fundamental pillar for Malaysia's ambition to be a regional leader in green investment and sustainable manufacturing. Abrupt, broad-brush policy changes enacted without comprehensive industry consultation risk eroding investor confidence in Malaysia's regulatory predictability. This uncertainty could divert crucial green investments and recycling capacity to neighbouring countries and stifle the very innovation needed to advance our circular economy.

We respectfully propose a collaborative pathway that addresses enforcement concerns without collapsing the legitimate recycling ecosystem:

1. Maintain the SIRIM-led regime for compliant companies while dramatically increasing penalties and enforcement actions against illegal importers and unlicensed facilities.
2. Replace blanket measures with risk-based enforcement, using enhanced inspection and traceability to target high-risk shipments without disrupting compliant recycling activities.
3. Establish a formal quarterly consultation mechanism between regulators and industry stakeholders to review policy effectiveness and address emerging issues proactively.

MPMA stands ready to work shoulder-to-shoulder with the Government, MACC, DOE, and other agencies to fortify enforcement, eliminate illegal activities, and promote a truly sustainable circular economy. We believe that through collaboration, targeted action, and evidence-based policy, we can protect our environment while securing the future of a responsible, world-class recycling and manufacturing industry in Malaysia.

### **CC CHEAH**

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**About MPMA**

The Malaysian Plastics Manufacturers Association (MPMA), established in 1967, is a progressive trade association providing leadership and quality service to its members and the plastics industry. MPMA is the official voice of the Malaysian plastics industry, representing its members and the industry in Government interaction, spearheading the plastics industry's growth and providing the platform to assist members in being globally competitive. MPMA currently has about 750 members comprising Ordinary members, which represent about 60 per cent of plastics manufacturers in the country and account for 80 per cent of the country's total production of plastic products, as well as Associate members who are mainly raw material and machinery suppliers.