



Latin America and the Caribbean is primed for Solutions to Combat Plastic Pollution, Circulate Capital Report Reveals

Mexico City, December 7, 2022: Circulate Capital, a leading investment management firm advancing the circular economy for plastics in high growth markets, released today 'Reducing plastic pollution in Latin America: A Handbook for Action,' which reveals that Latin America and the Caribbean (LAC) is primed for businesses and the private sector to transform the plastic waste value chain. Circulate Capital's team and partners worked for more than two years to understand the potential solutions in the LAC region, guided by a steering group composed of The Coca-Cola Company, Colgate-Palmolive, Danone, Dow, FEMSA Foundation, Mars and PepsiCo as well as inputs from a diverse set of stakeholders.

According to the report, growth of best-in-class existing businesses, infrastructure development, and technology advancement can promote the circular economy in the LAC region while creating the necessary capacity development to boost the entire waste ecosystem. Four markets in particular are highlighted as "ready-to-scale" - Brazil, Mexico, Colombia and Chile - each with strong conditions that favor the development of the sector.

"This research has uncovered a sustainable marketplace in climate tech that's about to explode in Latin America and the Caribbean (LAC)," said Rob Kaplan, CEO and Founder, Circulate Capital. "Plastic pollution is a global problem that requires local solutions. Investors have ample opportunities to advance the plastics circular economy in LAC and act as 'builders' by providing capital and know-how to connect the dots across the ecosystem and revolutionize the supply chain. There are many exciting enterprises across the region that are ready and able to scale up operations and increase efficiency while preventing pollution and improving livelihoods."

According to recent [research from the World Bank Group](#), Latin America and the Caribbean is home to one of the highest waste per capita rates across emerging economies as well as low recycling rates for most plastic resins. The Circulate Capital report also notes that although circular policy measures are in place in most countries, the waste management and recycling value chains are very fragmented.

Based on the review of hundreds of projects, the report identifies four theses to enhance the expansion of solutions along the entire plastic value chain:

1. *Scale and vertically integrate beverage bottle (rPET) recycling:* Build integrated supply chains, from sourcing sufficient waste feedstock to delivering high-quality finished products (granules) to brand owners and converters.
2. *Develop quantity and quality of rigid packaging (rPE/rPP) recycling capacity:* Bring rPE/rPP capacity to international standard and create new markets.
3. *Drive solutions for Multi-Layer Plastics, such as pouches and sachets, leveraging co-operation and scale of multi-national players:* Incentivize collection through demand and market signals to help build end of life solutions for this traditionally difficult-to-recycle packaging.
4. *Support innovation to prioritize waste prevention:* Advance and transfer technologies that disrupt business models and reduce waste at the source, such as innovative materials and refill/reuse distribution models.

"Latin America and the Caribbean are primed for advancing the plastics circular economy with macro trends such as increased consumer awareness of the plastics crisis, ongoing negotiations to create the first legally binding Global Plastics Treaty, packaging EPR laws tightening across the region, and corporations' net zero agendas helping to drive capital into the sector," said Ernesto Hanhausen, Circulate Capital's Partner for Latin America and the Caribbean.

'Reducing plastic pollution in Latin America: A Handbook for Action' provides a deep dive on 13 markets covering market strength, value chain stage, professionalization and policy as well as recommended development strategies for each country. The full report is available upon request [here](#).