

2018 BIR Spring Convention: Mexican recyclers uneasy over trade disputes

Governments of the U.S. and China causing current or potential difficulties.



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China's fast-changing policies have caused recyclers in Mexico to lose their access to pre-inspections in May 2018, while slow going on North American Free Trade Agreement (NAFTA) renegotiations between Mexico, Canada and the United States is creating another set of concerns.

Political turmoil was the foremost topic of discussion at the Latin America Committee meeting at the 2018 **Bureau of International Recycling (BIR)** World Recycling Convention & Exhibition, which took place in late May in Barcelona, Spain.

Committee Chairman Alejandro Jaramillo, of Mexico-based **Glorem SC**, said Mexico exports most of its yellow brass scrap to China, so when that nation's government suddenly closed its CCIC inspection offices in the U.S. on May 4, 2018, it disrupted that sector of the market.

"It's a big issue, and it gets underreported," stated Jaramillo, who also called Mexico a "collateral victim" of the measure. According to Jaramillo and to **Institute of Scrap Recycling Industries (ISRI)** President Robin Wiener, while CCIC has an office in Mexico City, the necessary preinspection certificates for Mexican recyclers are issued from the Los Angeles office.

After that office closed, there were “metals on the water [heading to China] we had to divert,” said Jaramillo of the Mexican recycling industry. Some recyclers, he noted, “are keeping material on the ground” while waiting for more clarity on CCIC’s future in North America.

Recyclers in Central and South America have been less affected, according to Jaramillo and Nicolas Werba of Uruguay-based **Werba SA**, as they have been able to get pre-inspection certificates through a CCIC office in Argentina.

Jaramillo said major changes to NAFTA would “have a large impact on our industry,” concerning industrial scrap generation in northern Mexico and the free flow of scrap materials across the U.S.-Mexico border.

Wiener says ISRI has been “very clear” in its support of NAFTA, as have most industry trade organizations. Reports from Washington indicate there is “still a lot of work to be done” by NAFTA negotiators.

In an earlier BIR Convention presentation, Texas-based analyst Jason Schenker of **Prestige Economics** said just six of 30 chapters of the treaty have been updated and agreed to by the three nations. In the meantime, NAFTA negotiators are inching toward a July Mexican election that could greatly change that government’s composition and negotiating team.

The **2018 BIR World Recycling Convention & Exhibition** was at the Sofia Hotel in Barcelona May 27-30.