

# 2018 BIR Spring Convention: Parsing the scrap industry's turmoil

A panel of recycling industry veterans sees potential benefits to the current wrenching scrap flow changes.



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The International Trade Council of the Brussels-based **Bureau of International Recycling (BIR)** chose to assemble an eight-person panel of recycling industry leaders and veterans to discuss the events of the past 12 months when it convened in late May in Barcelona.

In the discussion at the 2018 BIR World Recycling Convention & Exhibition, moderator Michael Lion of Hong Kong-based Everwell Resources Ltd. opened by saying that in his 50 years as a scrap trader, he had “never seen issues and problems to compare to this.”

Those issues include the Chinese government’s sudden bans and restrictions on imported scrap as well as a trade war and tariff battle that has only escalated since the panelists convened in late May.

In China, Lion said that not only had specifications for imported scrap become tighter, but agencies and inspectors have become more rigorous in the belief that the restrictions are favored at the very top by Chinese President Xi Jinping. “In the end, how inspectors interpret these regulations is critical. Right now, this comes from the top, and at this point no one wants to put their head above the parapet [and complain],” he stated.

Tom Bird, who works for Hong Kong-based scrap firm **Chiho Environmental Group** (which also has facilities in China), said China's government has pledged to fight pollution and the nation's regulations are tightening equally for operators within China. He said many "mom and pop shop" recyclers in China are not able to comply, and "we can expect rapid change in this area."

Ranjit Baxi of London-based **J&H Sales International** pointed to the Chinese government's desire to bolster its own recycling industry. "Why spend foreign currency to bring in scrap?" he asked. "China wants to employ thousands of people and save millions in foreign exchange" by maximizing its own recycling of metal, paper and plastic.

Both Bird and William Schmiedel of **Sims Metal Management** said China's crackdown on low-grade scrap imports is being emulated in neighboring nations such as Thailand and Malaysia. "Southeast Asian countries are already starting to look at this very closely," said Bird. "They don't [necessarily] want these redirected materials."

Schmiedel said the groundwork is being laid for recyclers to demonstrate "ingenuity" and to make investments into recycling materials such as motors and low-grade wire and cable in the United States and Europe, which are currently major exporters of these materials.

Murat Bayram, who works from Germany for United Kingdom-based **European Metal Recycling (EMR)**, noted that equipment makers he has talked to cannot deliver many types of processing machines for 12 months or more because of the orders they are receiving for wire and motor processing equipment. "I'm a little concerned about overcapacity," he remarked.

Schmiedel said Asia's attention to its imported scrap quality can help raise processing standards globally. He says when Sims Metal Management exports materials, it looks for buyers who process "with proper and correct ways." He continued, "We are going to follow the correct procedures to clean materials in an environmentally sensitive manner. We should do it there as we would in our own country."

BIR Director General Arnaud Brunet said the woes of 2018 may cause disruption to all and financial harm to some firms, but there is a silver lining. "It's painful today, but beneficial tomorrow. This is a call for the industry to do better," he stated. "Quality is the future of our industry."

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