

Acknowledgement of environmental contribution of recycling industry

BIR's 60th Anniversary Celebration, Monte Carlo, 2-4 June 2008

It was in the march 1948 when leading recyclers from the Benelux countries came together in Amsterdam for a reception to mark the 125th anniversary of one of the oldest scrap recyclers in the world – namely B.J. Nijkerk NV (BJN) of the Netherlands. Immediately after the reception the two directors and owners of the company – Bob and Hugo Nijkerk suggested to their guests that a Benelux recyclers association should be founded, leading as soon as possible to the development of a wider international recyclers organisation. So the first trans-boundary recycling organisation started – it was the birth of the BIR, which now celebrated its 60th Anniversary. The event was attended by an all-time high of more than 1300 delegates.

In 1948 the founders of the organization decided to invite Luxembourg, France, Great Britain and the Scandinavian countries to join. At the first international and official meeting in June 1948, held in Amsterdam, Luxembourg and France joined BIR which was officially named the Bureau International de la Récupération. They were followed by Great Britain in the start of 1949. It was also decided that BIR members would meet twice a year, in the spring and the autumn. The meet-

ings would alternate between the capital cities of the various member countries and other important trading/recycling cities. BIR was created as an international association of national federations. BIR soon became acknowledged by national and international bodies. In 1995 it acquired a new name: The Bureau of International Recycling. Today it has 42 affiliated national federations and by some 600 member companies.

The heroes of this story

At the 2008 general assembly the enormous environmental contribution of the recycling industry – not least in saving carbon dioxide emissions – was underlined by a stellar array of guest speakers at the 2008 Spring Convention of the Bureau of International Recycling (BIR). At the BIR General Assembly held at

Monte-Carlo's Fairmont Hotel on June 3, keynote speaker Lord Nicholas Stern of Brentford outlined the dangers of greenhouse gas emissions and declared: "You should be the heroes of this story." The 500 million tonnes-plus of carbon dioxide equivalent that the recycling industry saved from entering the atmosphere each year had a value of some US\$ 20 billion – "a very significant contribution", declared the author of the world-famous Stern Report on climate change.

Earlier, Lord Stern had explained that, without immediate global action, there was a "50/50 probability" of temperatures ending this century some 5 degC higher than those recorded in the year 1850. This increase in temperature would result in storms, flooding, droughts and raised sea levels which, in turn, would "completely re-draw where you can live", he told the hundreds of delegates present. "It would involve a massive movement of people." Early worldwide political agreement was required, he argued, to "transform the way we do things". Energy efficiency could make an immediate positive impact "and that is where recycling is so important". The implementation of a global carbon trading scheme and a halt to deforestation were also vital components in reducing greenhouse gas emissions, he added.

The carbon footprint

Lord Stern welcomed BIR's decision to set up a "Statistical Observatory" to measure and compare its achievements, and also to measure its carbon footprint. This research would generate "some very powerful statements" about the recycling industry's "enormous" environmental contribution,



Monaco welcomes BIR (photo: METALL)



Lord Stern insisted. And he went on to declare: "You have got a splendid story and I would encourage you very strongly to tell it."

In addition to the creation of the "Observatory", BIR World President Dominique Maguin also noted the organisation's intention to form an International Trade Council which would adopt a "proactive" approach to issues damaging to free trade such as the imposition of duties and import/export bans.

Environmental importance

The General Assembly in Monte-Carlo also heard of the commitment to recycling of His Serene Highness

Prince Albert II of Monaco, who had extended his patronage to the BIR Spring Convention. His representative Robert Calcagno, Minister for Public Works, the Environment and Urban Development, explained that Prince Albert had instituted "dramatic" changes aimed at boosting the principality's recovery and recycling rate from 6% in 2007 to more than 20%. Paper and glass collections had already leapt 42% and 50% respectively. Mr Calcagno went on to praise the "dynamism" of the recycling industry's activities.

A similarly upbeat assessment of the recycling industry's environmental importance was delivered by guest speaker Professor Philippe Chalmin,

Chairman of the CycloPe commodity market research institute in France. He described high commodity prices as a "gift from heaven" that would foster greater wisdom in resource utilisation and therefore increased recycling.

60 years for Recycling

A Honorary Membership was awarded to Alfred Nijkerk, the only recycler still alive who was present at the creation of BIR in 1948. A metal recycler for many years, Mr Nijkerk has also made a considerable contribution to the promotion of recycling as a trade journalist and freelance writer.

Stainless Steel & Special Alloys Committee: Market in oversupply

Report from the 2008 World Recycling Convention Monte Carlo, 2-4 June 2008

The stainless steel market has swung into oversupply and is lacking a "feel-good factor", the BIR Stainless Steel & Special Alloys Committee meeting in Monte-Carlo was told by familiar guest speaker Markus Moll, Senior Market Analyst at Austria-based Steel & Metals Market Research.

The speaker gave a very interesting overview about the developments in the stainless market and showed that in last years the stainless steel production was showing growing rates of 6 % per year – like no other metal. The reason: The price was constantly driven down. Therefore stainless steels became competitive to other metals. While the first uses were mainly industrial applications, today stainless steels are used in many consumer products. Mr Moll anticipated a global production increase of "only 4%" this year to 28.775 million tonnes, with the Chinese "locomotive" likely to fall short of double-digit growth as producers encountered mounting difficulty in finding markets for their products. Nevertheless, between now and 2012, Chinese consumption of

stainless steel was expected to grow at around 9% per annum while, during the same period, demand from India would overtake that of the USA and Japan. The speaker

also predicted the "renaissance" of 304 stainless owing to the shrinking cost advantage of alternatives.

"Renaissance" of austenites

In the last year Nickel had a "year like never before" with very high prices. With this background nickel free ferritic steels became very attractive to the market – one of the top topics of the last BIR-session in Warsaw. But now the nickel price is fallen while the prices of other alloying elements are at higher levels. In the last year there were tendencies to replace 304 by 430, but now the substitution will be lower. According to Mr Moll 304 will be relative stable while all the other increase significantly and "304 is available at every corner!" But he

added: "Before Nickel gets no stable price there is no feel good factor in the market."

Working from hand to mouth

Summarising reports on the European market, Stainless Steel & Special Alloys Committee Chairman Michael



Committee Chairman Michael Wright of ELG Haniel Metals Ltd

Wright of ELG Haniel Metals Ltd of the UK alluded to "signs of caution". He elaborated: "Stockists are working from hand to mouth and are reluctant to hold high inventories in view of the uncertain nickel prices and exploding chrome and iron prices."

He highlighted several markets as follows:

■ The total German steel production saw a considerable cut-back during 2007 to 1.5 million tonnes from a 2006 level of 1.77 million tonnes. The biggest loss in production was seen in Austenitic grades. The grades represented only 67% of total production in 2007 against a figure of 70% in the previous year. Also, 400 series production decreased by 10% to 483,000 tonnes. The total scrap ratio during 2007 for all grades was 46.3%. During 2007 Stainless Steel exports increased strongly from 711,000 to 805,000 tonnes. The import of Stainless Steel Scrap was only 350,000 tonnes, making Germany an important exporter of Stainless Steel Scrap.

■ The Italian Stainless Steel Industry seems to have restored previous production rates. As regards Stainless Steel Scrap, Italian requirements have always been characterised by a need for imports. Now, the Italian market is closer to balance and exports can roughly match the imports. This means that the prices are now much similar to those applied by neighbouring European markets.

■ In the UK stainless steel production in 2007 saw a fall of 6% to 350,000 tonnes but it is forecast in 2008 that there will be a 13% increase putting stainless production at almost 400,000 tonnes.

■ For Scandinavia, Finland saw a 25% decrease in production in 2007 which is forecast to rebound to 2006 levels this year.

Mr Wright went on to propose the organisation of a meeting on radi-

ation detection. Products from the 1970s and 1980s containing radioactive elements such as caesium and americium were now entering their end-of-life phase and were duly creating "a serious problem for our industry", he maintained.

Taiwan had superseded China

Although official Commerce Department statistics had indicated US exports of stainless scrap exports of more than 880,000 tonnes in 2007, the actual figure was likely to be somewhat lower but still "very significant" - possibly at around 750,000 tonnes, according to Barry Hunter of US-based Hunter Alloys LLC. "Approximately 85% of the reported material exported from the USA in 2007 was destined for Asian markets, basically leaving 15% for European exports," he said.

Last year, Taiwan had superseded China as the leading Asian consumer of US stainless scrap exports and, in physical metal terms, the continuing absence of Chinese buyers represented "perhaps the most significant change in the marketplace". But Mr Hunter added: "As we get further into the year, the general lack of scrap, the continued impact of chrome and iron, and the eventual need for material in China may well rekindle international competition for stainless steel scrap."

Energy shortages in South Africa

In a report on the South African and Asian markets, Mark Sellier of Oryx Stainless noted that Chinese production of stainless steel had been 12% lower in the first quarter of 2008 when compared to the final three months of last year, although the figure was still 30% higher than that for first-quarter 2007. However, some Asian manufacturers were expected to implement production cuts of up to 20% beginning in the third quarter of this year.

Meanwhile, energy shortages had resulted in a 17% drop in South Africa's stainless steel production in January-March 2008 when compared



Markus Moll (photos: METALL)

to the corresponding period of last year. "Scrap availability in the region has also been adversely affected," Mr Sellier pointed out.

While the Russian stainless steel scrap market remained "export-oriented", volumes shipped overseas had declined from 286,000 tonnes in 2006 to nearer 200,000 tonnes last year, according to Ildar Neverov of Scrap Market Ltd. Domestic stainless production was expected to increase "greatly" in the coming years, he added.

Rising demand in the Middle East

Ahmad Sharif of Sharif Metals Est in Jordan spoke of rising demand for stainless steel in the Middle East and of the considerable volumes of nickel/chromium tubes generated by the oil industry.

According to the special alloys report from Stuart Freilich of Universal Metal Corporation in the USA, which was presented in his absence by Mr Hunter, demand for titanium had suffered as a result of "production schedule push-outs" by leading aircraft manufacturers and the military worldwide. The need for large volumes of titanium for these programmes "will probably not recover until some time in late 2009 or 2010", he said. Meanwhile, orders for ferro-titanium and scrap high-temperature alloys remained strong for the most part.