

Aluminium fares better than other non-ferrous scrap

WORLD

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RECENTLY IN DUBLIN

In a weak scrap market affecting all the non-ferrous metals, aluminium has held up better compared to the others. However, a volatile market in the Far East and Asia is causing difficulties for merchants and consumers in the region.

According to reports delivered to the non-ferrous round table meeting at the Bureau of International Recycling autumn session, held in Dublin on October 26, prices for European aluminium scrap have been buoyed by demand from East Asia. A report from Belgium suggested that primary aluminium scrap prices had fallen by 20% in the last six months, while those of cast scrap fell 10%. The aluminium scrap business was described as "reasonable" and scrap was not expected to become too expensive or difficult to source.

In the USA, Robert Stein of Louis Padnos Iron & Metal said that while secondary aluminium ingot prices were being maintained, "they are clearly on the defensive". Prices for scrap going into secondary ingot were high and US smelters noted some tightness in availability.

Optimism was generally lacking in the consuming industries. Secondary aluminium production in Nordic countries has been reduced during the last year. "What will happen next year is a big question mark," said Björn Grufman of AB Ivar Thulin. Demand for standard grade alloys in France was practically non-existent, with consumers preferring to absorb their stocks.

Korean demand for aluminium scrap from deox producers has declined in line with falling steel production, reported Kumar Radhakrishnan of Simsmetal in a detailed account of the East Asian mar-

kets. Taiwan has seen reduced activity as a number of secondary aluminium industries have relocated overseas, in particular to southern China.

But southern China itself has been difficult over the last few months with both consumers and traders working through their high stock levels. Extrusion scrap has been difficult to trade, due to slackening demand and high production levels of primary aluminium. Supplies of other standard grades of scrap such as Tense and Taint/Tabor have become tight recently. As a result, demand for mixed metal has begun to pick up and prices for floated aluminium have also been stable.

Secondary aluminium smelters in China are going through a tough period due to poor domestic sales, though Japanese consumers provided some relief when they took advantage of the strong yen and increased their import quantities.