

# Growing competition from Asia

**During the paper committee's meeting at the BIR autumn conference in Amsterdam, China was once again the main topic.**

28.10.2016



At the beginning of the paper committee's meeting, committee president Reinhold Schmidt warned that the functioning system of private enterprises is getting more and more undermined, since municipalities want to gain revenues on their own. Schmidt criticised that Europe is bowing out of a free market economy regarding the collection of resources.

For Northern Europe, Lars-Gunnar Almryd announced stable collections and demand. For the current year he does not expect significant changes. However, in July Stena Group acquired IL Recycling, which leaves the two leading players in the Swedish recovery paper market under the same ownership.

Many parts of Eastern Europe see a rise in collection levels, Almryd points out further. But due to the lack of domestic processing capacities, most of this material goes to export. Almryd named the Czech market stable with an unclear situation in Poland, since this market will also be affected by the aforementioned acquisition.

In Turkey the demand is much higher than the domestic collections, Almryd continued. Therefore approximately 40.000 tonnes have to be imported monthly to meet the domestic demand.

For the Middle East Tarek Al Sharif reported progress in collection as well as in sorting systems. There is also an increase in Export with India and Pakistan being the favored destinations. He also reported an increasing local awareness of the importance of quality.

BIR president Baxi pointed out to increasing collections not only in China, but also in India and South Korea. This will have an impact on the import of these countries. He also lamented the „bumpy ride“ suffered by the recovered paper industry in 2015, adding that margins „are constantly threatened by forces beyond our control“ such as Brexit and legislative developments.

Guest speaker Wade Schuetzeberg of America Chung Nam gave a detailed report on China. He explained that the Chinese's growth would now base more on domestic consumption than on export. The country has now higher capacities in domestic collection. This forces Europe to improve its quality. He stated that adding value would only be possible with quality and competitive prices, not with quantities. Schuetzeberg warned delegates to be on the alert for an anticipated tightening of controls and regulations in China that „could eliminate segments of secondary raw material imports“.

During the meeting the Papyrus prize for services to paper recycling was award to Heiman Bollegraaf, former CEO and owner of Bollegraaf Recycling Solutions.

Source: RECYCLING magazine, BIR