

BIR backs China's plan to rename 'scrap'

American Metal Market

14 October 2019

The screenshot shows the Fastmarkets AMM website interface. At the top, there is a navigation bar with links for Home, News, Pricing, Magazine, About Our Prices, Subscribe, Classifieds, Sponsored Content, Industry, and Maps. A search bar is located on the right side of the navigation bar. Below the navigation bar, the main content area displays the article title "BIR backs China's plan to rename 'scrap'" with a sub-headline "Oct 14, 2019 | 09:48 AM | By David M. Brown, Julian Lee". Below the article title, there is a login/sign-up section with two columns: "Current Subscriber?" with a "Login" button and a link for "Forgot your password? Reset your password now", and "Not a current subscriber?" with a "Take a trial" button and the text "Access this content for free now by clicking the button". To the right of the login section is a sponsored content advertisement for "Digital transformation: The only way to remain competitive and profitable" with a "Download Now" button. Below the login section, there is a "Please note:" section with a disclaimer about access to editorial content. On the right side, there is a "Most read stories" section with three items: "1 Q&A: deal includes 3 plant closures", "2 Scrap wrap: Prices up on limited supplies", and "3 US puts 50% steel tariff vs Turkey on hold".

The Bureau of International Recycling (BIR) will advocate for China's proposal to discard the term “scrap” while seeking further clarity with Chinese officials on the definition and specifications of importable scrap, the association said on Sunday October 13.

In Chinese, “scrap” and “waste” are essentially being translated into the same word, which often undermines the value of high-quality scrap metal, Tom Bird, president of BIR said during a press briefing at the World Recycling Convention in Budapest, Hungary.

In May 2019, the Chinese Nonferrous Metals Industry Association’s (CMRA) recycling metal branch submitted to the government a key proposal to rebrand high-quality copper scrap as “recyclable copper raw materials.”

The BIR, representing more than 800 companies in the recycling industry, will meet with the CMRA at the end of November to determine the progress of the renaming project and what possible support BIR could provide to facilitate the move, BIR director general Arnaud Brunet said at the briefing.

It is a critical move for the industry to save huge scrap flows from a potential outright ban in China by 2021.

While there has not been any update on the CMRA proposal since May, industry participants have expressed concern over what scrap is eligible for renaming because the business revenue is significant to the sector, with China importing 2.6 million tonnes of copper scrap last year.

The association will seek more regulatory clarity from the Chinese government regarding what constitutes “scrap” and “raw materials,” it said.

Bird cited the instance of automotive metal scrap, which is at times regarded by Chinese officials as “scrap” and other times as raw materials in auto manufacturing.

Over the past two years, China has implemented certain import barriers for scrap, including a series of tariffs on United States-origin scrap, a ban on low-quality Category 7 copper scrap and the introduction of a quota system, leading to drastic fluctuations in scrap prices.

Prior to the launch of the quota system in July of this year, Fastmarkets' assessment of the No 2 copper scrap discount on a cif China basis had widened to 37-42 cents per lb in April - the highest level in three years. The discount was most recently assessed at 31-35 cents per lb.

- <https://www.amm.com/Article/3898669/BIR-backs-Chinas-plan-to-rename-scrap.html>