

Textiles

Margins continue to feel the squeeze

Some familiar topics resurfaced at the latest gathering of the BIR Textiles Division: export hurdles; France's eco-levy; 'bogus' charity collections; and the concept of 'end of waste' enshrined in the EU's Waste Framework Directive. But in direct business terms, the overarching concern remains the sorters' struggle to make reasonable profits when costs are so high.



Textiles recyclers are securing reasonably healthy orders for their goods but profitability is proving harder to win, it was emphasised at the BIR Textiles Division's Round-Table in Brussels.

Used clothing, shoes and bed feathers are attracting significant buyer interest but sales prices are not always adequate from the business perspective, according to divisional Honorary President Klaus Löwer of Germany-based Hans Löwer Recycling GmbH.

In the USA, for instance, sorters' margins are being 'squeezed' by the high cost of originals, he noted.

Alan Wheeler, National Liaison Manager at the UK Textile Recycling Association, commented: 'The prices obtained for used clothing in the export markets have continued to rise, but so have collection costs. Therefore, although demand is strong, the profits have not increased for UK sorters and collectors whilst their financial outlay and risks have.'

Bans and restrictions

Several speakers at the meeting also spotlighted a number of difficulties associated with trading across borders. The Ukrainian authorities, for example, are understood to be considering the introduction of a ban or restriction on used clothing imports with effect from the start of next year. In northern Africa, meanwhile, Algeria remains closed due to import restrictions and shipments

into Egypt have been affected by rising customs charges. And for sorters in Japan, problems with exporting revolve around the relative strength of the Yen to the US dollar.

Overall, however, most speakers at the Round-Table appeared relatively content with the state of trade. Sauro Ballerini confirmed that business conditions for Italy's textiles recyclers have 'improved considerably' since the start of this year while Mr Wheeler said used clothing demand has been seemingly 'as strong as ever' in 2010, particularly from Eastern Europe.

Code of conduct

Mr Wheeler went on to report that 'bogus' charity collections are continuing to have a significant impact on yields and remain 'one of the biggest topics of debate amongst UK collectors, charities and licensing authorities'. Consultations are currently taking place on a new national code of con-

duct for charitable door-to-door collections which has been developed by a working group headed up by the Institute of Fundraising. Its formal adoption is anticipated early next year.

Across in France, some 42 sorters - including 29 from France, seven from Belgium, four from the Netherlands, and one each from Germany and Portugal - have entered an agreement with the Eco Tlc initiative designed to support sorting activities. Contributions have already been paid this year in respect of volumes sorted in 2009, reported the Textiles Division's Vice President, Mehdi Zerroug of Framimex. Collection and sorting volumes in France are now around 10% higher than in 2008, according to Mr Zerroug. When challenged to explain why the increase has not been more substantial given the 'subsidy' available, he suggested investments take time to filter through and that a 'more satisfactory' upturn should be seen in 2011.

Reuse and waste unconnected

The relationship between used clothing and the 'end-of-waste' concept contained within the EU Waste Framework Directive was explored by the Textiles Division's General Delegate Alexander Gläser of Germany-based Fachverband Textiel-Recycling eV. He maintained that clothing is 'donated' to a collection bank on the understanding that it will be worn by someone else and will not therefore enter the waste stream. 'The consumer decides at home that an item of clothing is not waste at all,' Mr Gläser contended. 'Reuse has nothing to do with waste; reuse is at a higher stage of the waste hierarchy.'

Guest speaker Dr Thomas Probst of BVSE in Germany explained that the establishment of proposed end-of-waste criteria for ferrous and aluminium scrap will provide a template that can be followed for other material streams. Pending any official move to create end-of-waste criteria for used textiles, Dr Probst advised the industry to develop a position paper and send it to all relevant authorities to ensure textile recyclers' specific concerns are addressed.

BIR members will be kept informed of any significant developments relating to 'end of waste', emphasised the Textiles Division's President, Olaf Rintsch of Germany-based Textil Recycling K&A Wenkhaus GmbH. □



Alexander Gläser



Klaus Löwer



Textiles Division President Olaf Rintsch