

BIR CONF: BIR participants pessimistic about secondary Al prices

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The secondary aluminium market in Europe is extremely quiet and prices are going to fall as key consumers in the automotive and construction industries feel the effects of a slowing economy, according to several market participants at the Bureau of International Recycling convention in Monaco.

"This is definitely the start of a downward turn, everyone's saying it," one industry source told MB, surveying prices that have fallen in recent days.

"The main consumers of secondary aluminium are the automotive, construction and airline industries and they are exactly the ones who are affected first when the economy is in crisis, so demand is definitely down," a trader said.

Market participants expressed concern at the lack of business conducted at the BIR conference.

"I've done very little business and what I have done I had to sell at much lower prices than I wanted to," a scrap merchant told MB.

"Everyone's trying to sell but I'm not buying. There's loads of scrap in the market and I'm going to wait because the prices are all coming down," an ingot producer said.

Demand has been falling in recent weeks as concerns about the global economy take hold and major consumers become slow to buy.

While many had previously blamed the quiet time of year for poor demand, the general consensus among BIR delegates is that it is more than just a seasonal lull.

"This is more than just a summer thing. None of us want to admit it but it's becoming clearer now," another industry source said.