

BIR CONVENTION - Growing protectionism threatens secondary materials sector - delegates

By Martin Hayes

Shanghai 27/05/2013 - The secondary materials recycling sector is coming under increasing threat from moves towards protectionism in some regions, which will disrupt free-market trade in waste and scrap, delegates attending the BIR (Bureau of International Recycling) convention here said on Monday.

"Scrap metal, given its tremendous value to the ecological well-being of the world, should never be taxed, nor should its export be controlled by industry pressure on governments," Robert Stein, President of the BIR's non-ferrous metals division said.

Indirectly, actions such as China's 'Green Fence' policy, or, more directly, India's recent surprise imposition of import duties are hitting the secondary sector at a time of tight margins and the challenging economic backdrop.

"Government and administrative policies have a huge impact on our businesses, and are something we must be constantly monitoring," Paul Coyte of Hayes Metals in New Zealand said.

In China, a crackdown on imports of low quality waste was imposed by China's new government earlier in 2013. Codenamed 'Green Fence', the initiative is aimed at reducing the amount of poor quality waste that enters Chinese ports from overseas.

This started in March, causing delays in customs release procedures for scrap, slowing inbound movements, with thousands of containers creating congestion in Hong Kong, David Chiao of Uni-All Group in the US.

This is most likely to be the new administration focussing on combating pollution and corruption, as the social cost of sacrificing the quality of life for accelerated GDP growth is unjustifiable.

Stein said that the BIR recognises that governments have a sovereign right to ensure that imports are environmentally sound and not harmful.

"We do not, however, endorse implementation of artificial impediments to free and fair trade," he said.

In India, the picture is different, as the government at the start of the month imposed a 2.5-percent duty on imports of aluminium, iron and steel melting and stainless steel scrap. As well, it has re-imposed a four-percent SAD (special additional duty) on previously-exempt brass scrap imports.

Diwal Shah of Metco Marketing India said the Metal Recycling Association of India is asking for a reversal of these duties.

However, the road ahead appears difficult for the secondary non-ferrous industry, as the rupee is appreciating against the dollar.

"India relies mainly on imported scrap to feed its secondary industry. Therefore, currency plays an important role in overall cost competitiveness," Shah noted.

Overall, the BIR is having discussions with authorities in South Africa, India and Russia, among others, regarding protectionist measures, Robert Voss of Voss International and President of Eurometric said.

"We can be proactive, rather than reactive," he said.

FastMarkets.com

press@fastmarkets.com

Portoken House, 155-157 Minories, London, EC3N 1LJ

+44 (0)20 7488 1995

TERMS AND CONDITIONS

The Terms and Conditions for this service are here.

REPRESENTATIONS AND LIABILITY

1. Fastmarkets represents that:

1. It will supply the Services in a professional way, using the care that can be reasonably expected for this type of business, and in accordance with the practices and policies which are commonly applicable in the information services industry.
2. it is duly empowered to supply the Information and Service(s) to the Client for the purposes specified in this Agreement and that the Service(s) and its use by the Client as specified in this Agreement will not infringe any intellectual property rights of any third party.
2. Although Fastmarkets will use all reasonable endeavours to ensure the accuracy and reliability of the Services, neither Fastmarkets, the Data Sources, or any third-party provider will be liable to the Client (or any third party) for direct, indirect or consequential loss or damage, including but not limited to loss of data, trading or other economic losses, arising out of any reliance on the accuracy of the Information (including but not limited to data, news and opinions) contained in the Service(s) or resulting in any way from the supply (or failure of supply) of the Services. However, Fastmarkets accepts liability for physical loss or damage to the Site caused by its negligence or wilful misconduct.
3. Except as expressly stated in this agreement, all express or implied conditions, warranties or undertakings, whether oral or in writing, in law or in fact, including warranties as to satisfactory quality and fitness for a particular purpose, are excluded.
4. The Client will indemnify Fastmarkets against any loss, damage or cost in connection with any claim or action that may be brought by any third party against Fastmarkets relating to any misuse of the Services by the Client.
5. To the extent permitted by law, under no circumstances will Fastmarkets liability under this Agreement exceed the Service Fees paid to Fastmarkets by the Client, regardless of the cause or form of action.

PRIVACY POLICY

The Fastmarkets Ltd Privacy Policy is here.

Powered by Scoop! © FastMarkets Ltd 2010