

# Firm prospects for fibre exporters

Although the recovered paper import spotlight falls more often than not on China, a number of other countries are developing their appetite for fibre supplies from overseas, it was underlined at the latest BIR Paper Division meeting. The event in Rome also featured warnings about growth in the protectionist lobby.

Exporters of recovered paper do not have their problems to seek at present. As highlighted by BIR Paper Division President Ranjit Baxi of UK-based J&H Sales International Ltd, current challenges include: a 'seriously threatening' Euro-zone crisis; much higher sea freight rates; difficulties in obtaining shipping space; currency volatility; and customer quality concerns 'coming more and more to centre stage'.

However, many of the fibre exporters attending the latest divisional gathering would have carried a number of positive messages from the main meeting room of the Rome Cavalieri Hotel. Chief among them would have been the consensus that China will remain a growth market for the world's exporters for the foreseeable future: figures provided by Mr Baxi revealed that the Asian giant imported 7.24 million tonnes in the first quarter of this year compared to 6.57 million tonnes and 6.37 million tonnes in the corresponding periods

of, respectively, 2011 and 2010. US shipments of recovered fibre to China have soared 18% over the last three years whereas the increase for Europe has been 15%, Mr Baxi pointed out. But sounding a note of caution, the Paper Division President warned that shipments to China would suffer 'ups and downs' along its long-term growth path and that exporters should appreciate their Chinese customers' requirements regarding quality.

## India and the GCC

But as was emphasised in Rome, China does not have a monopoly on opportunities for international suppliers of recovered fibre. According to guest speaker Jogarao Bhamidipati, India already imports approaching 4 million tonnes of recovered fibre each year and the figure could climb beyond 10 million tonnes by 2025 even if there is a significant improvement in domestic recovery levels. The Senior Vice President of ITC Ltd based his

assumptions on the projected doubling in size of the nation's paper industry by 2025 to an annual capacity of around 30 million tonnes; if achieved, this would create a requirement for

around 16 million tonnes of recovered paper each year compared to between 7.5 million and 8 million tonnes at present.

There are currently 750 paper mills in India while annual domestic paper consumption is 11.2 million tonnes - 'and growing', Mr Bhamidipati told delegates. Fellow guest speaker Atul Kaul, COO of Arab Paper Manufacturing Co. of Saudi Arabia, added that recovered fibre imports into the Gulf Co-operation Council (GCC) region would grow in response to new capacities coming on stream. If the 'key challenge' of improving domestic collections was not met, acquisitions in Europe and the USA could be considered in order to supplement fibre volumes and quality, he said.

## Baseless grounds

During the main body of the meeting as well as a subsequent panel discussion moderated by Recycling International's Publisher and Editor Manfred Beck, the issue of protectionist measures - so dominant at this year's BIR Spring Convention - once again sprang to prominence. For example, Ekrem Demircioglu of Tüdam in Turkey confirmed a drop in his country's exports of recovered fibre because these shipments are allowed only with the prior approval of domestic paper mills.

Meanwhile, Spanish mills have made efforts over recent months to halt recovered paper exports on baseless carbon dioxide emission grounds, according to Francisco Donoso of Reciclajes Dolaf SL. Attempts at protectionism are 'dangerous' and, if implemented, such measures would lead to 'lower prices in different parts of Europe'. □

By Ian Martin

## Poignant Papyrus prize

Celebration and sadness became intermingled in Rome as BIR Paper Division President Ranjit Baxi announced the latest winner of the Papyrus prize.

The award went to Lamacart SPA of Villafranca di Verona, a business currently handling around 1 million tonnes of recovered paper per annum. The company was formed in 1934 by Francesco Nicolis, and his son Luciano continued its rapid development. Sadly, this 'inspirational' figure died only a few weeks prior to the BIR Convention in Rome, Mr Baxi was sad to report.



BIR Paper Division President Ranjit Baxi (left) and BIR President Björn Grufman (right) present this year's Papyrus prize to Thomas Nicolis of Italian recovered paper business Lamacart.

The Papyrus prize was collected by his son Thomas Nicolis from BIR World President Björn Grufman. Lamacart's current Managing Director confirmed that his aim is to double the business over the next five years.

The Papyrus prize is awarded twice a year at the BIR's Spring and Autumn Conventions, honouring individuals, companies and organisations making a substantial contribution to paper recycling.



Guest speaker Jogarao Bhamidipati, Senior Vice President of India-based ITC Ltd.



Francisco Donoso of Reciclajes Dolaf SL in Spain.

