

# BIR Convention in Singapore Looks to the Future

The recent Bureau of International Recycling (BIR) World Recycling Convention & Exhibition was held in Singapore (19-22 May). Senior figures agreed at the BIR Paper Division meeting on May 20 that short-term pain should give way to longer-term gain for the paper recycling industry. China is engaged in a policy shift which seems likely to bring an end to its supreme dominance as an import market for recovered paper – even though domestic mills have an ongoing requirement for the fibre and are hoping imports will still be possible after the end of this year. Delegates were told that the result of the Chinese government's actions has been to create tumultuous market conditions for exporters in that they have been forced to explore and develop alternative outlets for a large proportion of their recycled products.

"China has been closing its doors since 2017," confirmed Divisional Honorary President, Dominique Maguin of La Compagnie des Matières Premières in France. But despite the turmoil this has caused for suppliers, other existing buyers – including India, Malaysia, Indonesia and the Philippines – have already increased their import volumes significantly. "Now we have new possibilities to sell," he said.

Looking ahead, Mr Maguin suggested overall demand for paper will expand as a result of global population growth. "And the best way to produce that paper is from recycled fibre – it's less expensive and less polluting," he insisted. "So the question is simply where do we need to deliver the fibre to reach that demand."

Equally bullish in Singapore was Ranjit Singh Baxi of UK-based J&H Sales International. "At the moment, we're in a blip," conceded BIR's outgoing World President, "but in the long term I'm super-optimistic

that demand for our product will continue to grow." While the Chinese government is taking measures that will adversely affect the country's imports of recycled fibre, it cannot control the inexorable growth in paper consumption worldwide and the widespread development of new production capacities. "So like water, fibre will always find places to flow," he said.

The BIR Paper Division's current President, Jean-Luc Petithuguenin of Paprec Recyclage in France, agreed that the recycling of paper "is a good solution for a greener planet" and that overall demand for paper is set to grow, particularly in the packaging segment. "For our industry, I'm very optimistic," he insisted.

The panellists also congratulated the paper recycling industry on its ability to adapt to changing circumstances. The 0.5% limit on non-paper components set by the Chinese government "had looked impossible two years ago, but it is the norm today", pointed out Mr Baxi.

Other issues debated in Singapore included Brexit, with BIR Paper Division Vice President Keith Trower of Viridor Resource Management arguing that the outcome will not have a major effect on flows. "The big issue is quality," he said. "If the quality is right, then the material will travel. We have to ignore the politics and do our job."

## World President

With recycling representing 'a major solution' to the problems of the environment, the recycling industry must strive to show the important role it is playing in safeguarding the future of the planet. So said the new Bureau of International Recycling (BIR) World President, Tom Bird, Chief Operating Officer of Hong Kong-based Chihio Environmental

Group. His initial two-year term was approved at the organisation's 2019 General Assembly in Singapore on May 21. It was also agreed that Andy Wahl, President of TAV Holdings Inc. in the USA, would succeed Mr Bird as BIR's Treasurer on an interim basis.

In taking up the presidency, Mr Bird praised the "unflinching dedication in the face of many obstacles" of his immediate predecessor Ranjit Singh Baxi of UK-based J&H Sales International. Mr Baxi earlier praised the wide-ranging support he had received during his term in office and drew an ovation from the audience in saying, "It's for you to judge, but I think I have done my best." Mr Baxi expressed particular pride and satisfaction in two developments during his tenure – the launch of Global Recycling Day and the first-ever BIR Convention in India.

## Focus on Asia

Ranjit Baxi of J&H Sales International Ltd (GBR) explains that China, the world's second-largest economy, continued to show signs of economic stagnation at the start of 2019. "China's GDP growth in the first quarter of 2019 was 6-6.5%, which is below that for the same period in 2018 and the lowest registered in three decades. Economic measures such as reducing taxes on business and increased infrastructure spending have not been of great help although it is anticipated that, by year-end, these stimuli will have started to take effect.

"Meanwhile, negotiations have reopened between China and the USA with the hope of lifting some of the uncertainties caused by the trade war – and the interim hold on the tariffs was welcome news.

"Fibre exporters were looking to post-Chinese New Year developments in the hope that both prices and demand would stabilise. China's net imports for 2018 were around 17.5 million tonnes, as compared to some 26 million tonnes in 2017. For 2019, imports are projected to total

around 12.5 million tonnes. The UK was the major overseas supplier from Europe on 2 million tonnes, followed by the Netherlands on 750,000 tonnes, Italy on 700,000 tonnes and Spain on 460,000 tonnes. The USA exported around 6.5 million tonnes as compared to around 12 million tonnes in 2017. By mid-April, China had issued import licences in six batches for a total of 7.7 million tonnes.

"Markets failed to sustain price levels from the start of the year and, by the end of the quarter, they had declined. Shipping lines continued to threaten more freight increases which, given the weak market, was not welcome news as it forced a further decline in ex-works prices for fibre.

"Exporters are still looking to diversify their sales by exploring new markets besides the familiar ones of India, Indonesia, Thailand, Vietnam and the Middle East which have continued to increase import volumes for Mixed Paper, OCC and SOP, induced by lower export prices. Also, these markets have seen increasing new paper enquiries from China and so are looking for more fibre to meet this demand.

"With no new direction given on post-2020 import policy, exporters are keen to receive some clear guidance on what the Chinese government intends to enforce in terms of import controls."

## SHORT NOTES

- Urbaser Ltd has been awarded a nine year waste and recycling contract by Welwyn Hatfield Borough Council. The £4.6m per annum contract commences from April 2020.
- CS Recycling Managing Director, Craig Curtis, has been elected as the President of The Recycling Association.