

 BIR meets in Munich

'Markets certain about uncertainty'

Given the extreme financial and economic churn taking place worldwide, it would have been unreasonable for delegates to expect absolutes to emerge from the plenary sessions at the BIR world recycling organisation's latest Autumn Round-Tables. The word 'uncertainty' was put to regular use by speakers, but the various meetings still provided a useful gauge of sentiment as well as enlightening updates on latest legislative developments. The event was staged in the German city of Munich and attracted a total of 1200 delegates and accompanying persons.

The Angel of Peace monument in Munich commemorates the twenty-five years of peace that followed the Franco-Prussian war of 1870-1871.

In late October, recyclers from around the world converged on Munich in healthy numbers for the BIR world recycling body's 2011 Autumn Round-Tables. And although every major commodity session confirmed the challenging status of the global economy, there was also the strong sense that a general scarcity of resources - both in the near and long term - would underpin markets for recyclables. Consumption would continue to increase overall in a world whose population was expected to hit 7 billion within days of the Convention's conclusion.

The economic outlook may not be rosy given the Euro-zone debt issues, the sluggish US economy and credit tightening in China. However, the legislative outlook was brightened considerably in the immediate run-up to the Convention. At the International Environment Committee (IEC) meeting, it was revealed that the Basel Convention's 10th Conference of the Parties in Colombia has resulted in 'a true paradigm shift' in the status of recycling. According to the UN-EP Basel Convention's Executive Secretary Dr Katharina Kummer Peiry, the overall political message from Colombia was that waste should be minimised and treated 'as a valuable resource and not as a costly burden', she said.

The acknowledgement that recycling can be highly beneficial if conducted in a socially and environmentally sound manner means that the Basel Convention is no longer focused solely on controlling and inhibiting waste transactions. The recognition that some trade can be 'legitimate and useful' represented 'a significant change in attitude by governments', according to the speaker.

'Most discussed by far'

According to Dr Kummer Peiry, e-waste is the subject of many illegal transboundary movements and is 'becoming a serious problem to many countries'. In this context, it has been estimated that the volumes of e-waste generated in developing countries will match those in the developed world within five to seven years, and will 'far exceed' them by the year 2030.

Having described e-waste as the stream 'most discussed by far' at Basel Convention level, the guest speaker hailed the Partnership for Action on Computing Equipment (PACE), launched at the 9th Conference of the Parties, as a 'key platform' for work on the management of used equipment of this nature. Its ultimate aim, she said, is to devise practical guidelines taking

industry input and expertise into account. Indeed, she went on to suggest in Munich that consideration should be given to forming a Basel Convention industry platform along the lines of the Business and Industry Advisory Committee model at OECD level. There is scope, she believes, for a consolidated forum through which industry can channel its input.

Scrap and radiation

Seven years after stepping down as IEC Chairman, Dr Alvaro Rodriguez de Sanabria made a return to the podium in Munich in his role as radioactivity expert for Spain's recovery and recycling federation FER. In outlining work towards an International Atomic Energy Agency 'Code of Conduct for Scrap and Semis Trading', he described this as a non-binding document aimed at: protecting people, property and the environment against ionising radiation arising from radioactive material that may inadvertently be present in scrap and semis; and harmonising the approach of states to the discovery and safe handling of such material - a key point given the considerable volumes of scrap being moved across borders.

It is 'nonsense', the speaker argued, to apply the 'finder pays' principle in situations where metals recyclers uncover radioactive orphan sources in incoming scrap consignments. It is not the fault of recyclers, he said, if control of such sources was lost further up the chain, adding: 'They shouldn't be punished as they have done nothing wrong.' He also emphasised that it is 'technically impossible' to declare scrap to be 100% free of radiation.

'Intelligent recycling'

The Munich Convention provided a platform for Professor Philippe Chalmin of the Paris-Dauphine University in France to launch the follow-up to his earlier survey of the world recycling markets. He identified China as 'definitely the key for all our markets', particularly recovered paper and non-ferrous scrap. However, he warned that, at some future point, the world will be tested by a crisis in China and that the commodity markets - both primary and secondary - will be first to react.

He underlined that OECD nations are experiencing relative stagnation whereas the economies of emerging countries are 'still riding high', leading to overall growth which will entail increased investment in commodity production.



Professor Philippe Chalmin of the Paris-Dauphine University in France launched his new BIR-commissioned report, entitled 'World Markets for Recovered and Recycled Commodities 2011 - the End of the Waste Era'.



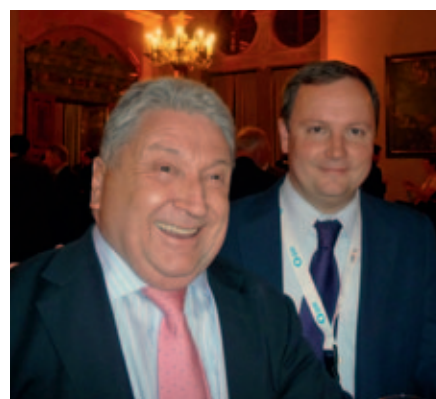
UN-EP Basel Convention's Executive Secretary Dr Katharina Kummer Peiry: Waste should be minimised and treated as a valuable resource and not as a costly burden.



Dr Alvaro Rodriguez de Sanabria, radioactivity expert for Spain's recovery and recycling federation FER.



At the age of 81, Alfred Nijkerk, who witnessed the launch of BIR back in 1984, attended his 104th BIR congress.



Peter Mathews of UK-based Black Country Metals (left) and Joe Picard, Director of Commodities of the US recycling organisation ISRI.



Brothers in arms: Kent Kiser, publisher and editor of SCRAP (left) and Gert-Jan van der Have, deputy editor of Recycling International.

And with resources limited in many instances, there will be 'a need for more investment in recycling, in intelligent recycling', he insisted.

Volatile world

Prof. Chalmin pointed out in Munich that most commodities have sustained price falls in recent months but that many of them remain at 'very, very high' levels in historic terms. 'We are definitely in the most volatile of all words,' he declared. Indeed, his new BIR-commissioned report, entitled 'World Markets for Recovered and Recycled Commodities 2011 - the End of the Waste Era', offers the conclusion: 'Never have the prices for scrap and old paper been so unstable, which explains the development of new derivatives markets. This is, of course, a challenge for the recycling industry: to manage long-term policies of collecting "waste" and making it an "urban mine" in a context of world markets that are more volatile than ever. This is one of the reasons why we shall need more and more transparency on prices and data, a goal which is at the core of BIR's future development.'



David Loewenthal (left) and Shannon Brenner of South African Universal Recycling with Recycling International's Helga Fresen.

Challenge for BIR

'Prof. Chalmin's report notes that growing market volatility leads to greater commodity market destabilisation, something which BIR has long stressed can be combated through increased transparency on prices and more comprehensive data,' agrees BIR President Björn Grufman. 'A major challenge for BIR and officials throughout the world in 2012 will be to collect more data concerning the capabilities of the "urban mine" so that we can deploy these resources efficiently.' The report authored by Prof. Chalmin covers main raw material price developments and incorporates sections on ferrous/non-ferrous metals, paper and textiles, as well as on sea-borne freight. □

BIR arbitration service revamp

At last year's BIR Autumn Convention in Brussels, a workshop was held to outline the reasons for revamping the world recycling organisation's arbitration service. Exactly one year later, a similar gathering was arranged to offer a more detailed explanation of how this would ultimately work in practice.

One of the key aims of the BIR arbitration service is to avoid the disadvantages of court proceedings by resolving disputes 'in accordance with the rhythm of business' and with adherence to 'strict timelines', emphasised Benoît Van Asbroeck, Partner in international law firm Bird & Bird.

The arbitrators in a case - of which there could be one or three - will have substantial practical experience in the relevant field of business. The arbitrator or arbitrators will be required to keep strictly confidential all statements and documents issued by the parties involved. Furthermore, their award is final and is not subject to appeal. Robert Voss, Chairman of the BIR's International Trade Council, confirmed in Munich that Mr Van Asbroeck's presentation summarised 'a long job well done' and will be available to view on the world body's website.



Robert Voss, Chairman of the BIR's International Trade Council.

Grufman: we are 'the future raw material suppliers'

Björn Grufman marked his first full Convention in the BIR World President's seat by calling a press conference at which he stressed his desire to build the recycling industry's reputation as 'the future raw material suppliers'. He asserted in Munich: 'We are a very necessary industry for the future.'

The new President, who is Managing Director and main owner of Swedish scrap trading and processing company M.V. Metallvärden AB, also revealed his objective to boost membership of the world recycling organisation. Having noted that new members have been joining at a rate of roughly 100 per annum in recent years, he affirmed: 'If we could keep up that rate (during my time in office), I would be very happy.'

In this bid to grow the membership, particular attention will be paid to Central and South America, he added. A committee is to be set up to help co-ordinate a recruitment drive in the region. Mr Grufman also confirmed at the press conference that BIR is considering the formation of an electronics committee; its first meeting could be held as early as the world body's next Spring Convention in Rome which is scheduled to take place from May 29 to June 1 next year.



BIR President Björn Grufman.

BIR Young Traders Gazette

As the result of an initiative brought to life by the BIR Young Traders Committee, in Munich BIR launched the first issue of the BIR Young Traders Gazette (YTG). The Gazette - which will appear bi-annually - targets the young executives of BIR member companies and wants to convince the companies' decision makers to increasingly involve younger employees in their activities within BIR and send them along to BIR conventions. The Young Traders Committee under the chairmanship of Paul Coyte of Hayes Metals, New Zealand, is very active in developing programmes and activities for young executives, thereby fostering BIR's leadership of tomorrow. The Young Traders Gazette can be downloaded from BIR's website at www.bir.org

