

Quality advice to exporters

Once again, an impassioned plea to the world's recovered fibre exporters to 're-focus on quality' marked the BIR Paper Division meeting in Shanghai. Outgoing president Ranjit Baxi left delegates in no doubt that ignorance of individual importing countries' specific recovered paper requirements was no excuse.



Paper

Nine Dragons' founder wins Papyrus prize

Often cited as one of China's richest businesswomen and certainly one of the most influential, Cheung Yan - chairlady and founder of the world's largest recovered paper-based paper manufacturer Nine Dragons - took time out of a busy schedule to collect the latest Papyrus prize to be awarded by the BIR Paper Division in recognition of services to paper recycling. Divisional president Ranjit Baxi of UK-based J & H Sales International described the recipient as a 'great business leader', a 'champion' of the recycling industry and a 'global green ambassador' who has promoted 'healthy' supply chain partnerships. In accepting the award, she said of those in the recycling sphere: 'We are the protectors of the environment - not the trouble-makers for the environment.' This is 'a very meaningful industry', she maintained.

She went on to confirm that Nine Dragons' annual production capacity is scheduled to grow from 13.5 million tonnes to 15 million tonnes in the coming two to three years. Several weeks prior to the BIR Convention, she had confirmed that the group would be bringing six new lines on stream over the next three years, including five in China (see page 45).



If China's 'Green Fence' import clampdown has been a perturbing development for many in the international supplier community, then there was yet more sobering news to emerge from the BIR Paper Division meeting in Shanghai. Although Chinese recovered paper demand has continued to escalate over recent years, the proportion covered by imports has been shrinking owing to the rapid increase in China's domestic collections.

According to guest speaker Minnie Kong, associate economist for fibre at leading information source RISI, imports were accounting for more than 48% of China's recovered paper consumption as recently as 2005, but this figure has since dropped to around 40%.

However, Kong underlined that growth in demand for recovered paper will continue throughout Asia, with China set to remain a dominant - and even 'manipulating' - force on the world fibre market. Looking to Asian demand patterns in 2013/14, she predicted: 'OCC will register the largest tonnage gains. Mixed paper usage may also grow as the cheaper substitute for OCC and other grades. Demand for high grades in making printing and writing paper and white tops may also increase.' In contrast, she believes ONP demand will experience only 'limited gains' over the next two years 'because of the small growth in newsprint output and the increase in virgin-based boxboard capacity'.

Uncomfortable reading

Latest statistics make particularly uncomfortable reading for many of Europe's leading fibre exporting countries. Paper Division president

Ranjit Baxi of UK-based J & H Sales International pointed out that China had imported a total of 2.111 million tonnes of recovered fibre from European suppliers in the first quarter of this year - 11.5% less than the 2.385 million tonnes of January-March 2012.

The UK, by far Europe's largest recovered fibre exporter to China, had been alone among these major suppliers in upping its shipment volumes

'China's recovered fibre imports reached an all-time high last year and this growth is going to continue.'

in the first three months of this year, although the total nudged less than 10 000 tonnes higher year on year to 788 124 tonnes. However, the next six countries in this league table of exporters to China suffered declines, many of which were substantial. In the case of third-placed Italy, for example, its fibre deliveries to China tumbled from 286 418 tonnes in January-March 2012 to 231 504 tonnes in the opening three months of this year.

In contrast, American shipments to China jumped 5.82% from 3.39 million tonnes to 3.587 million tonnes when comparing the same first quarters, while supply from Japan leapt 7.7% from 798 850 tonnes to 860 419 tonnes.

Papyrus prize winner Cheung Yan (left) was hailed as 'a global green ambassador'.



Growth to continue

Exporters from the USA and Europe must not only put quality at 'the top of every business agenda' when supplying recovered fibre to Asia but also increase their focus on the specific quality requirements of the individual receiving country, Baxi urged. NEPA authorities China, for instance, had been working to its current list of prohibitive materials since early 2008.

And while consumers in that country did not expect foreign suppliers to achieve zero prohibitive materials, neither were they prepared to accept 10% wax-coated paper, Baxi insisted by way of example.

In common with Kong, the BIR Paper Division's president tempered this warning with some positive reflections on the market. Specifically with regard to China, recovered fibre imports surged from 27.28 million tonnes in 2011 to an all-time high of 30.08 million tonnes last year - and this growth 'is going to continue', he added.

However, there was still room at the Paper Division meeting for an additional piece of disappointing news: despite the best efforts of the European Recovered Paper Association, the push towards securing end-of-waste status for recovered fibre at EU level has hit something of a roadblock. Contact has been made 'repeatedly' with the European Commission with the aim of persuading it to review its proposal, explained the association's environmental and technical director Ross Bartley. Strenuous efforts will continue to be made to achieve this prized status, he assured delegates. □

New president for Paper Division

In confirming that he was stepping down as president of the Paper Division in order to free up more time for his duties as BIR treasurer, Ranjit Baxi announced that his successor would be Reinhold Schmidt of Germany's Recycling Karla Schmidt.

Having thanked Baxi for his great work in support of the division, Schmidt went on to identify free and fair trade of recovered paper without any barriers as one of the key issues to be tackled during his presidency.



Ranjit Baxi gave a warm welcome to his successor, Reinhold Schmidt, who was named the new president of the BIR Paper Division. In his final presidential address, Baxi underlined that it is vital for exporters from the USA and Europe to put quality at 'the top of every business agenda'.

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