

BIR HONGKONG 2017 Opens With Non-Ferrous Metal Division

2017.05.23 11:32

BIR (Bureau of International Recycling) HONGKONG 2017 is held from 22 through 24 May at Hong Kong Convention & Exhibition Centre with more than 900 participants from 63 countries. On 22, the date was assigned for Non-Ferrous Metal Division providing presentations of DAIKI Aluminum Industry and Minmetals from Japan and Mr. Markus Moll of SMR for the stainless steel scrap market etc.

The opening session was presented by Mr. Montani of DAIKI Aluminum about the company's achievement of production and investment in South East Asia. In response to his presentation, he was questioned by an audience " How about your idea for new investment location?" "Still in consideration" But India is highly interesting" answered Mr. Montani and Mr. Hayashi, Director of the company and a board member of BIR also were involved in Q&A.

Details of BIR REPORT will be provided later.



(IRUNIVERSE S. Aoyama)

BIR HONGKONG 2017 China Control Enforcement over Imports of Scrap

2017.05.23 16:23

At BIR HONGKONG 2017, Mr. Ma Hongchang, BIR consultant for China made a speech about a turning point of China Scrap Import Control addressing clearly that the time line is not specified but the control must be decisively enforced without any mitigation or regression.



New conditions and governmental control over imported scrap was announced on April 18, which is primarily targeting to control smuggling from outside and regulate tax evasion with full conformity with the regulations of National Sword 2017 already announced in the same pace of the customs regulations and policies of State Environment Protection Administration.

The campaign by Chinese customs inspection (National Sword 2017) commenced since February 7 this year focusing initially industrial and domestic scraps and plastic scraps but the coverage will be widen continuously in the closer cooperation with the relevant industries added Mr. Ma.

Environment inspection all over the country commenced since January 2016 in Hebei and eventually the number of the locations came up to 16 cities focusing on most seriously polluted entities of paper fabrication, printing, textile dyeing, mining smelters, cement, chemical agents through which caused operation shutdowns or close of same of the plants.

This strongly implies the coverage extensions.

For 2017, currently the inspection is on-going in 15 cities.

Mr. Ma further pointed while subjected import categories and corresponding quantitative adjustment pace will be determined using comprehensively administrative tools for promoting circular economy, specific time line for scrap import regulation has not been announced yet.



As far as he knows, the coverage will extend to wire& cable, mixed metal scarp and motors to perform fully prohibited import since 2018 end.

Import of copper and aluminum scraps will be permitted till 2020 but no idea for 2020 onwards. Particularly shredded aluminum scrap (Zorba) is targeted for enforced control.

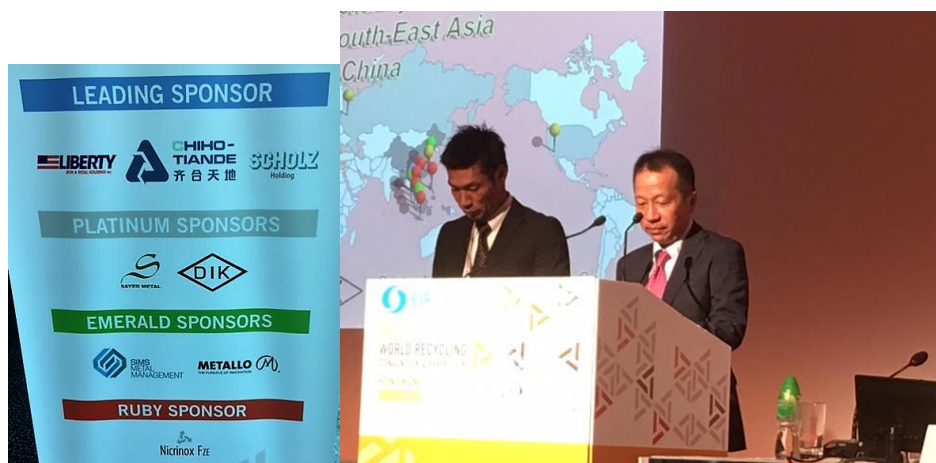
Finally Mr. Ma suggested that when talking Chinese domestic as well imported scraps, you must pay attention on Chinese policy mixes. The scrap exporters to Chinese market must recognize Chinese environment protection policies and conform the rules. Imported scraps is endlessly subject of enforced control.

(IRUNIVERSE S. Aoyama)

DAIKI ALUMINUM Reported Secondary Aluminum Market In ASEAN and China

2017.05.25 16:41

One of the most major Secondary Aluminum Makers in Japan, DAIKI ALUMINUM, celebrating it's 70 th anniversary next year, kicked off the panel session of NonFerrousMetal Division at BIR HONGKONG 2017. Incidentally DAIKI Aluminum is one of platinum sponsors for BIR. President of DAIKI Aluminum Indonesia, Mr. Montani, board director of the principle entity, conducted a presentation about "Secondary Aluminum Market in ASEAN and China"



Following is a summary of the presentation :

Automotive market in ASEAN is growing steadily as well as motorbike market in a proper pace. Under the market circumstances demand for secondary aluminum alloy ingots also is increasing and consequently the market share of DAIKI Aluminum of the material gains so far.

By country, DAIKI Aluminum's market share in aluminum secondary alloy market is going as 42.5% in Thai, 39.9% in a high growth rate in Philippines, 15.4% in Indonesia, 11.4% in Vietnam and 23.9% in Malaysia respectively.

DAIKI Aluminum Indonesia has a future plan to triple it's secondary aluminum alloy production capacity specifically to 15K tons a month. Raw material will be imported in Zorba from Euro-US. In the project Indonesia Made aluminum alloy will be distributed to Asian countries with utilization of FTA system.

By the way license acquisition is required both for import of Zobra and export of aluminum alloy in Indonesia, while imposing no tax.

On the other hand, in Thai a third new local plant for DAIKI Aluminum will be established.

It was clearly stated DAIKI Aluminum will raise it's market share up 35% 2020 from 26% 2016.

As one of the corresponding measures, the company will effectively rely on LCS (Low Cost Smelter).

Talking about China situation where market size of aluminum secondary alloy is worldly largest, he pointed "Chines aluminum secondary alloy industry is now in transition phase from Chinqiu to Warring period".

Following three points were addressed for differentiation with it's competitors;

Capability to catch up Chinese domestic demand growth in a timely manner

Manageability against risks of abolishment of added-profit trade

Manageability against enforced environment protection regulations

About strengths of DAIKI Aluminum he referred to brand power, quality, comprehensive technical support and JV with DELTA(DA ZHENG Aluminum),Chinese aluminum secondary alloy maker.

With the strengths he believed the company must boost it's presence in Chinese market.



In Q&A session, one question was raised about an idea of DAIKI aluminum investment on outside of Thai and was responded Indian market is highly interesting while under study.

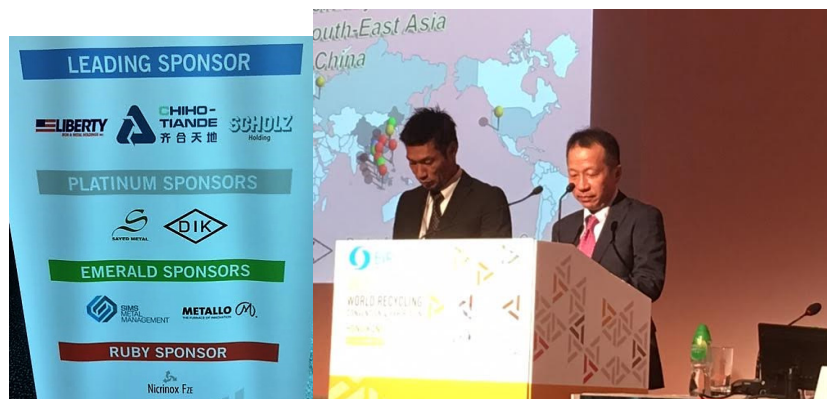
Another question was raised about influence of electric vehicles market extension over aluminum alloy market and was responded it will take a considerable time to feel the pressure by DAIKI Aluminum Director, Mr. Hayashi.

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(IRUNIVERSE S. Aoyama)

Interviewed Mr. Yan, CEO of HSKU, stainless steel scrap dealer in Taiwan

2017.05.29 08:55

MIRU interviewed Mr. Vegas Y. Yang, young executive of HSKU Raw Material Ltd., a major stainless steel scrap dealer in Taiwan during the BIR Convention in Hong Kong.



He was selected as a new board member of the BIR Stainless Committee. He explained the reason for the selection with a smile, "It was just because I can speak English as there are few Taiwanese stainless steel scrap dealers who can speak English".

He is leading the company as a second generation. The company deals with about 10,000 tons of stainless steel scrap per month including imported materials. 60 percent of materials come from domestic markets and 40 percent from other countries. 30% of imported materials come from Japan. Also, it exports the products to Japan.

As to the outlook of the markets for nickel and chrome based stainless steel scrap, which have slowed down at the moment, he expects that the prices will drop further next month for both nickel and chrome based stainless steel scraps. He also expects the stainless steel scrap prices will also decline in Japanese domestic markets next month. It is good to purchase materials at a cheaper cost, but "the current market is difficult" for the company as the declining price puts pressures also on their selling price to their customers such as Taiwanese stainless steel manufacturers when the nickel price continues to be weak and ferrochrome price keeps dropping.

Especially, as some high carbon ferrochrome are traded below \$0.90/lb in China, chrome based stainless steel scrap price has dropped too. The company's purchasing price is around \$450/ton CIF Taiwan, but it might drop further in June.

As Taiwanese stainless steel manufacturers such as YUSCO, Walshin and Tang Eng Iron Works have reduced outputs for maintenance in May, demands for scrap have slowed. He expects demands for scrap to increase as the production will recover to a normal level in June.

Regarding to the issue of incorporation of 200 series stainless steel scrap, he answered that there is no problem because sorted materials are delivered to the company.

(Edited by Sasaki)

BIR expects Japan a key role in the recycling society

2017.05.29 08:48

IRUNIVERSE interviewed Mr. Ranjit Singh Baxi, President of the Bureau of International Recycling on May 23, 2017 during the BIR World Recycling Convention in Hong Kong.



BIR was established in 1948 and will mark the 70th anniversary next year. The purpose of its establishment is that recyclers in the world associate with each other to promote recycling of recyclables and trading them on a free and fair manner. The organization considers it important and necessary to trade or export high quality scraps.

He said that there was a very few participants from Japan to the Convention, but recognizes Japan as a very important player in the global recycling markets.

He also added that he would like Japanese recyclers to share with BIR members how they handle with environmental problems in recycling. He also thinks that the BIR members have much to learn from the Japanese government as it is positively working on recycling issues.

He emphasized, "Recycling is to make raw materials and resources, not waste". As the world population is decreasing, we should use recycled materials more, he added.

He asked more Japanese recyclers to join the next BIR World Convention held in Delhi, India in October to play a key role to share best practices implemented in Japan.

At last, he suggested that the BIR would prepare a Japanese-English simultaneous interpreter if more Japanese participants join the Conventions.

During the Convention in Hong Kong, the BIR announced 18-3-18 as the date of the first Global Recycling Day. It will use the day to promote actions on recycling around the world.

(Edited by Sasaki)

Oryx targeting at sustainable and efficient operation with profitability

2017.05.30 15:16

During the BIR World Convention at Hong Kong, MIRU interviewed Mr. Joost Van Kleef, Commercial Director of Oryx Stainless, a major stainless steel scrap processor based in the Netherlands, who presides at the BIR Stainless Steel & Special Alloys Committee.



Oryx Stainless deals with 45,000 tons of stainless steel scrap per month on a global basis processing blend scrap. The company processes 20,000 tons per month in the Netherlands and supplies blend scrap directly to stainless steel manufacturers in Europe. The company also processes scrap in Germany and Thailand. It doesn't have a yard in China, but a market research seems to be conducted.

Oryx processes less scrap than ELG, but he said, "Scrap processing requires professional knowledge and technology. It would cost a lot if we had many processing facilities like other competitors. We'd like to increase the sense of presence in the market through providing high quality materials. Our policy is to keep a sustainable and efficient operation."

As to the current stainless steel scrap markets, he said that supply of stainless steel scrap is relatively tight, but the profitability of the stainless steel scrap is severe as the prices of nickel and ferrochrome have dropped. The company is planning to decrease the output in coming months.

(Edited by Sasaki)