



The InterContinental Hotel Berlin hosted some 900 BIR participants.

BIR meets in Berlin

'Testing times' for all

The huge price swings of recent months suggest the outlook for the recycling industry is at least as hard to call as the weather encountered by delegates at the latest BIR world recycling convention in Berlin where warm, sunny spells were punctuated by violent downpours. But as a testament to the industry's resilience, the focus at the latest BIR gathering was on making plans for the future rather than on bemoaning the commercial misfortunes of the recent past. In the following series of articles, Recycling International reviews the key moments and comments from the three-day event in late May/early June, which was attended by more than 900 people from 57 countries.

In terms of the pressure on demand and margins, 'our industry is currently going through one of the most testing times we have ever experienced', Ranjit Baxi lamented to the BIR world recycling organisation's latest convention, which was held in the German capital Berlin. However, in his presidential address to the BIR annual general assembly, Baxi opted to focus on what lies ahead rather than on the road already travelled. His major news announcement was that BIR is spearheading the formation of

a new body 'to take forward the message of facilitating free and fair trade of recyclables with minimum regulatory controls'. The BIR World Council of Recycling Associations will bring together the presidents of the various recycling associations worldwide to 'work together to tackle the challenges facing the global trade of recyclables', elaborated Baxi of UK-based J&H Sales International. And looking ahead to 2017, Baxi expressed the hope that BIR efforts

to launch a Global Recycling Day will come to fruition and that the event will provide a platform for not only celebrating the importance of recycling but also promoting the major environmental contribution of the recycling industry (see box on 'The Environmental Benefits of Recycling'). He also confirmed that BIR will be aiming to hold its first-ever convention in India next year in October, describing the country as 'an extremely important and growing market for our business'.



Ranjit Baxi: BIR to hold its first-ever convention in India, in 2017.

By Ian Martin and Martijn Reintjes

The annual general meeting also witnessed the formal ratification of the 56 new members to have joined BIR over the previous 12 months, as well as the election of Tom Bird of UK-based Mettalis Recycling to the role of BIR treasurer for an initial two-year term. Several months ago in its response to the European Commission's revamped Circular Economy package, the European Recycling Industries' Confederation offered a particularly warm welcome to the document's recognition of the need for measures to facilitate cross-border circulation of secondary raw materials, such as through electronic rather than more time-heavy, paper-based control systems.

No longer 'rocket science'

In Berlin, delegates to the BIR International Environment Council (IEC) were assured that electronic processing of waste shipments was no longer 'rocket science' but rather 'something that is already there and you could use tomorrow'. Guest speaker Rainer Hans, managing director of Germany-based Infotech GmbH, explained that his company has developed the software for the ZEDAL electronic platform for control of trans-frontier movements of waste. Last year alone, he added, tens of thousands of fully-digital ZEDAL waste movement documents were issued in a system that 'completely does away with paper'. All notes are electronically generated and then modified/processed electronically by other stakeholders. Costs of using the system are 'very low' and, anecdotally, are already saving one company around five man hours of work per day. Hans added that his company is engaged in discussions aimed at persuading the European Commission to define a unique interface that would

Keeping containers secure

BIR is to explore the issues and possibilities raised by latest technology designed to enhance cargo security.

The undertaking was made following a presentation by Dale Didion of US-based AKUA Secure Logistics to the BIR International Trade Council (ITC) meeting in Berlin in which he explained that his company's container security devices transmit an alert if tampered with or if temperature/humidity variations occur. GSM or satellite communication enable real-time data to be sent securely to a client's phone. He gave an example of how this technology has helped a business outside the recycling industry to pinpoint some 'unexpected' stopping points for its containers when in transit.

According to Didion, US cargo theft amounts to anything between US\$ 10 billion and US\$ 50 billion on an annual basis.

At the same meeting, Dr Christian Bluth of Bertelsmann Stiftung in Germany confirmed that negotiations towards establishing the Transatlantic Trade and Investment Partnership (TTIP) between the EU and America have become deadlocked because of worries over erosion of regulatory standards and also job losses.

According to the TTIP's architects, this link between the world's two largest trading groups would lower not only tariffs but also non-tariff barriers, resulting in a substantial reduction in trade costs across a number of sectors - including recycling. BIR as a whole remains committed to free trade and so evident pressure for trade 'isolationism' represents 'a real concern', observed ITC chairman Michael Lion of Everwell Resources.



AKUA's Dale Didion.

establish this as a core system for all those involved in the transboundary movement of waste.

The IEC meeting in Berlin, chaired by Olivier François of Galloo in France, also focused on latest regulatory developments and issues in the BIR convention's host country of Germany. Sebastian Will of the BVSE federal association for secondary raw materials and waste management noted that the country's Recyclable Material Law - currently in its draft phase - sets out to increase the recycling of packaging waste, reduce inefficiencies and allocate the costs of waste production. However, he lamented, current proposals will effectively shift organisational sovereignty from private operators to municipalities, thereby undermining well-

established market structures and promoting the 'socialisation' of waste management. The gathering influence of municipalities within recycling was to be a recurring theme at the Berlin convention. □



A taste of Belgium - in Berlin

'Cheers! Here's to a bright recycling future,' chorus Jorg Strijbos (left), Denis Scaillet (centre) and Stefan Joosten of Belgian recycling major Comet Group. The BIR convention in Berlin hosted some 30 exhibitors, including Comet which offered delegates the chance to sample some typical Belgian beers such as Palm and Kriek. 'Germany might be known as the number one beer country in the world but, in fact, our beers taste much better,' Recycling International was assured with a smile.

'Environmental Benefits of Recycling: 2016 edition'

In 2008, BIR made a significant contribution to the pro-recycling debate by commissioning a study into the impact of the recycling industry on global greenhouse gas emissions. This well-received report has now been updated and enhanced through use of a more detailed and refined methodology which supplements literature-based and benchmark data from the 2008 study with 'real data' derived from industry. The main conclusion of 'Environmental Benefits of Recycling: 2016 edition' is that, when compared to primary production, 572 million tonnes

of greenhouse gas emissions are avoided each year by the recycling industry's global activities in just three areas, namely ferrous, aluminium and copper. By extension, therefore, the recycling industry's efforts across all commodity sectors could be reducing such emissions by well over 700 million tonnes per annum, BIR world president Ranjit Baxi contended in Berlin. The methodologies described in the report can be used to obtain potential carbon dioxide emission savings for any company's recycling operations for any material on a case-by-case basis.

Ferrous

Scrap collection system still in need of repair

'This is not your dad's scrap business any more,' delegates to the BIR ferrous division meeting in Berlin were assured by its president William Schmiedel. Unlike for previous generations, the markets are at the mercy of a vast range of global influences – including speculation on the Chinese futures markets by participants with no stake in physical metal.

The recent sharp spike in ferrous scrap prices confirmed substantial 'pent-up demand' for the industry's material but 'did not last long enough to adequately repair the collection system,' the latest meeting of the BIR ferrous division was told by its president William Schmiedel of Sims Metal Management in the USA. As a result, supply - or lack of it - remains a major factor in the marketplace. For shipments of HMS scrap into Turkey, prices surged from an early-year low of around US\$ 175 per tonne to nearer US\$ 330 in April, according to Schmiedel. But at the time of his presentation in Berlin, it could not be said with any confidence where the next mark would be made on the price graph given the complete withdrawal of Turkish buyers from the international marketplace in recent weeks. If ferrous scrap prices have been on what Schmiedel described as a 'roller-coaster,' the ups and downs in Chinese billet values have been no

less violent, soaring to a 28-month high before slumping 30% to below US\$ 300 per tonne. He also emphasised how the huge number of contracts being traded on China's futures exchanges has been adding to the uncertainty apparent in the physical market.

Taken by surprise

According to ferrous division board member Tom Bird of UK-based Mettalis Recycling, customers had been showing signs of returning to ferrous scrap from 'unreliable billet supplies' although the HMS surge to beyond US\$ 300 per tonne 'took us all by surprise'. However, some major buyers - including Tokyo Steel in Japan - implemented significant ferrous scrap price reductions in May and further steep cuts were anticipated in leading markets for June.



William Schmiedel: Scrap prices have been on 'a roller coaster'.



Tom Bird: 'A brighter market' later into this year.



Jason Schenker: 'A recession of confidence between roller-coaster.'

Bird predicted 'a brighter market' and greater stability later into this year. With specific regard to Japan, he said steel production can be expected to increase from July owing to new construction projects relating to the city's hosting of the 2020 Olympic Games.

'Recession of confidence'

A generally downbeat assessment of economic prospects was provided by the ferrous division's guest speaker. Top-ranking analyst Jason Schenker, founder and president of US-based commodity and financial research firm Prestige Economics, spoke of 'a recession of confidence' and predicted the rising trend in steel prices 'might not be stable'. Describing the International Monetary Fund's latest projection of 6.5% real GDP growth in China for 2016 as 'pure fiction,' he pointed out that the country has been in a manufacturing recession for 16 of the past 17 months. Manufacturing data for the USA reveal contraction for five consecutive months through February 2016 whereas the Eurozone economy has been experiencing 'modest expansion'.

Covering the whole of 2015, the latest edition of 'World Steel Recycling in Figures' was released at the ferrous division meeting in Berlin. Some of its key findings are reviewed in this issue's ferrous market report.

Beware of airbags and flying objects

'All of us need to be really careful when handling airbags,' insisted George Adams Jr of US-based SA Recycling at the BIR shredder committee meeting in Berlin. His comments followed an incident at his company's Phoenix facility when an airbag exploded and left an employee with broken ribs and a punctured lung. Employees on the picking belts have since been issued with protective aprons and face shields, he said. Adams also urged all operators to protect personnel against the threat of flying objects by installing a roof, a chainlink mesh or some other form of enclosure on their shredder plants. 'It doesn't have to be high end but it could stop someone from getting killed,' he told delegates. Manuel Burnand, chairman of the BIR shredder committee, provided delegates with an update on the EU's best available techniques reference document, or BREF, for shredders. The position of the European Recycling Industries' Confederation was that emission levels in the current draft of the document did not appear to be based on a representative sample of plants and that the high monitoring frequencies proposed 'would significantly increase operational costs without any added environmental benefit'. The next draft of the Shredder BREF could emerge by the end of 2016, it was noted.

By Ian Martin

Non-Ferrous

Further consolidation a must

A large number of non-ferrous scrap operations may have already closed down but further consolidation is necessary if the industry is to continue to navigate a path through its current difficulties, it was suggested at the meeting of the BIR non-ferrous metals division held recently in Berlin.

Payment delays are multiplying across many parts of the world while uncollectable receivables are also on a rising trend. And these are just two of the pressures currently bearing down on the non-ferrous scrap industry, according to Murat Bayram of European Metal Recycling. To this list he added an excess in the number of yards in operation and widespread market volatility. Given this scenario, the non-ferrous metals recycling industry should stick to its strengths of sorting, processing and logistics rather than trying to second-guess 'what the price of copper will be next week,' he argued at the latest BIR non-ferrous metals division meeting during a review of latest market developments. 'We need to focus on what we are good at,' he insisted.

Having heard divisional president David Chiao of the Uni-All Group lament a 'difficult' period for the trade, Bayram contended that further consolidation is required in the sector despite the recent raft of business closures and major metals- and construction-related insolvencies. He emphasised that insolvencies are climbing particularly steeply in the emerging markets, partly because banks are 'holding back the money'.

Supply still tight

The recent surge in ferrous scrap prices has resulted in the industry seeing more Twitch, Zorba and other non-ferrous scrap grades - but availability remains 'very tight' in certain instances, most notably for copper, according

to Bayram. On the plus side, he added that the secondary market is running well, order books are full and the export market has become reactivated, with China making a return for the Zorba grades. Bayram also highlighted the 'huge opportunities' offered by the easing of international commercial sanctions on Iran, not only for local and international base metals companies but also for machinery and equipment suppliers. And while no other market on its own could match the scale of a slowing China, he said encouragement should be derived from gradual growth in the 'very important' Indian market as well as from the positive signs coming out of Europe.

'Unreliable' growth data

Guest speaker Eugen Weinberg, head of commodity research at Commerzbank AG in Germany, argued that China will remain a massively significant factor in the markets but is currently a focus of 'unreliable' growth data and 'huge' overcapacity. He went on to identify deflation as the biggest economic problem because it encouraged people to postpone purchases. During a panel discussion moderated by Peter Dahmen of Metallgesellschaft Schoof & Haslach, Weinberg suggested that the rest of the world will need to protect itself until such time as subsidies in China were ended.



Murat Bayram: 'Banks are holding back the money.'



Eugen Weinberg: China will remain significant factor.

E-scrap committee plans meta-study to 'systematise' industry data

India's government is threatening to impose 'stringent' financial penalties on those failing to comply with a new extended producer responsibility scheme for electrical and electronic equipment. The new rules propose a 30% collection target for the first two years, rising to 70% by the seventh year, BIR's e-scrap committee meeting in Berlin was informed by Surendra Patawari Borad of Belgium-based Gemini Corporation NV. According to his figures, India has more than one billion phone subscribers and also sales of refrigerators and washing machines which are expected to spiral to, respectively, 66 000 and 36 000 units per day by the year 2020. Fluorescent lamps and

the LED product category also fall under the new rules, he pointed out. In addition, the meeting focused on what was described as the 'very promising business model' presented by components harvesting from electronic products. Thomas Opsomer of iFixit, which offers an online platform for freely sharing technology repair know-how in step-by-step guides, identified several barriers to reuse and recycling such as non-removable batteries, increasing use of adhesives and lack of information from manufacturers regarding product content and disassembly. He called on recyclers to help promote the case with manufacturers for assisting in the

development of a centralised, cloud-based database of disassembly information. Meanwhile, BIR's e-scrap committee has been conducting a survey of relevant literature and statistics in advance of agreeing the parameters for a meta-study which will seek to 'systematise' the method of collecting data and providing information on electrical and electronic equipment, it was confirmed by committee chairman Thomas Papageorgiou of Anamet Recycling Industry SA of Greece.





Stainless Steel & Special Alloys

'A universal lack of scrap'

Nickel prices will not improve markedly until the metal's copious reserves have been whittled down, it was emphasised at the latest meeting of the BIR stainless steel & special alloys committee. Delegates in Berlin also learned that a nickel market deficit is anticipated for 2016 – which would be the first since 2011.

The common threads linking the world's stainless steel scrap markets are that supply is 'extremely tight' while margins are 'becoming ever tighter'. So said BIR stainless steel & special alloys committee board member Jonathan Bower of ELG Haniel Metals in his summary of latest developments worldwide. Even India - which had been paying Asia's highest prices for 200, 300 and 400 series scrap over recent months - has gone off the boil, he told the committee's meeting in Berlin. Their mills' buying interest has dwindled owing to difficulties in selling their finished stainless products owing to weak global demand. A shift in India's production towards the 200 series has reportedly become more pronounced as this entails a lower level of risk for the country's producers. In Europe, stainless steel producers have largely achieved budgeted output levels in the opening few months of the current year. Russia, meanwhile, has placed many forms of scrap on a list of raw materials

of vital importance to domestic industry, which means exports can be banned with immediate effect if the government so desires.

Shift from scrap

Asia in general has been shifting from scrap to other raw materials, according to Bower's analysis. Indeed, the latest edition of the BIR stainless steel & special alloys world mirror, which was launched in Berlin, reveals that South Korea's scrap ratios have fallen as mills have 'shied away from importing significant cargoes' while domestic availability of scrap has also declined, prompting a transfer in mills' buying emphasis to ferronickel. Meanwhile, China's primary nickel demand leapt 23.8% in the opening quarter of 2016 to almost 250 000 tonnes, with imports accounting for more than 51% of the total.

China's increasing preference for primary nickel over scrap was apparent in 2015 and can be expected to continue in the current year, argued



Salvatore Pinizzotto: problems in Europe 'structural not cyclical'.

guest speaker Salvatore Pinizzotto, director of market research and statistics at the International Nickel Study Group. The country accounted for 52% of the world's primary nickel usage last year as compared to 15% only a decade earlier. In terms of stainless steel melting, however, China's years of constant increase came to an end in 2015 with a reduction of 1.3%, according to Pinizzotto. Renewed growth, forecast at 2.9%, is anticipated for 2016.

Limited growth potential

The guest speaker contended that the 'new normal' of slower economic growth in China could lead to 'rationalisation' within the country's stainless steel sector. At the same time, he foresaw limited growth potential for the stainless industry outside of China, describing problems in Europe, for example, as 'structural not cyclical'.

Having emphasised the scale of world nickel reserves, Pinizzotto argued that a sustained reduction in stocks holds the key to the metal's price development. His presentation revealed that world nickel usage edged around 1000 tonnes ahead of production in the opening three months of 2016 - only the second time the market has been in deficit for any quarter since the start of 2012. 'The surplus is going down very slowly,' he said. 'The market is basically in balance.'

Based on an outlook of 'more primary nickel production cuts,' the speaker envisaged a deficit of around 49 000 tonnes in 2016 following four years of more significant surpluses which had been preceded by deficits in both 2010 and 2011.

Fireside chat

The stainless steel & special alloys committee meeting in Berlin, chaired by Joost Van Kleef of Netherlands-based ORYX Stainless, featured a 'fireside chat' involving Pinizzotto, Barry Hunter of US-based Hunter Alloys LLC and Jason Schenker, founder and president of leading commodity and financial research firm Prestige Economics. In his opening remarks, Hunter echoed the earlier comments of Bower in alluding to 'a universal lack of scrap' as well as 'tremendous' competition to secure supplies. Asked how China might respond to the imposition of tariffs on its stainless steel exports, Schenker declared himself to be 'sceptical' about the country's ability to absorb all of its production, thus raising the possibility that producers will choose to continue to sell even at a severe loss in some instances - 'a scary thought,' Hunter admitted to delegates. □

By Ian Martin

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Paper Rules too often 'hostile' to private recycling firms

Machine conversions, regulatory discrimination, recovered paper quality and freight issues all jostled for attention at the latest BIR paper division meeting, staged in Berlin. The event featured a particularly impassioned plea from divisional president Reinhold Schmidt for a regulatory environment that is not skewed against the interests of private recycling businesses.

Conversion of newsprint machines to packaging production has become an established trend on both sides of the Atlantic and is likely to continue into the future, it emerged from the BIR paper division meeting in Berlin. Guest speaker Bill Moore, president of US-based paper recycling consulting specialist Moore & Associates, estimated that newsprint machine conversions to containerboard production have amounted to some 2 million short tons in the last two years alone and perhaps 5 million short tons across the last decade. 'We expect to see more conversions,' he added, having earlier noted that newsprint production in the USA and Canada tumbled from 13.78 million tonnes in 2002 to just 5.86 million tonnes in 2015.

Overcapacity warning

BIR paper division vice president Francisco Donoso of Alba Servicios Verdes in Spain confirmed that International Paper's agreement to buy Holmen Paper Madrid and to convert the newsprint machine for packaging production by the second half of next year is expected to create an additional annual demand

for nearly 400 000 tonnes of OCC grades in Spain over the medium term whereas domestic demand for the deinking grades is likely to be cut by more than half.

The European Recovered Paper Association's president Merja Helander of Finland warned: 'The paper and board industry is changing the product line of machines from graphic to board production with such a speed that, one day, we will see overcapacity in these products.'

Hindering fair competition

In his presidential address to BIR paper division delegates, Reinhold Schmidt of Germany-based Recycling Karla Schmidt identified the decline in graphic paper volumes as one of a number of challenges confronting the sector, with others including the slowdown in China and the 'painful' political framework in which recyclers are forced to operate.

Schmidt once again drew particular attention to tendering conditions for municipal contracts in his home country which, he said, are often 'hostile' to private recycling firms - for example, by imposing a maximum of three years for tender periods or by asking recyclers to list the trucks that will be supplying a paper mill. 'This robs us of flexibility,' he complained. 'This is regulatory discrimination against private players and is hindering fair competition. This cannot and must not be the way to go.'

Quality emphasis

A familiar message was also delivered by BIR president and paper division honorary president Ranjit Baxi of J&H Sales International in his summary of the Asian market. Given that recovered paper

quality is becoming 'more and more important,' he wondered whether America's greater export success in the early part of this year was, in part at least, a reflection of a loss of quality focus by European suppliers. His figures suggested that US shipments to China leapt 15% year on year in the first quarter of 2016 whereas the increase for Europe was just 2%, although the UK (+8%), the Netherlands (+16%), Italy (+7%) and Spain (+11%) succeeded in upping their volumes to China when compared to the opening three months of 2015. Concerns about recovered paper quality, and specifically the decline in fibre strength, were also voiced by guest speaker Stefan Geibel, managing director of Veolia Umweltservice Wertstoffmanagement GmbH in Germany, while Bill Moore of the USA said the key question is who will pay for recovered paper quality improvements. 'Right now the trend is to push the cost back on the generators - commercial as well as local governments - and they seem to be absorbing it,' he told delegates.

Freight unimaginably low

Baxi also turned the debate in Berlin to the issue of freight, noting that rates between China and Europe are currently 'lower than I could have imagined possible' at around US\$ 200 per 40-foot container, although he anticipated a correction at some future point. Movement of goods was also the focus of guest speaker John Paul Mackens, business development manager (Europe) secondary raw materials at Kühne + Nagel. Addressing the SOLAS international maritime safety treaty and its impact on export shipments, he confirmed that a shipper will be required to declare a Verified Gross Mass (VGM) for all loaded containers with effect from July 1 this year - otherwise they will not be allowed on board the vessel. □



Reinhold Schmidt: recyclers challenged by 'painful' political framework.



Ranjit Baxi: freight rates 'lower than I could have imagined possible'.



Plastics

Indian ban leaves plastic scrap market 'in limbo'

Imports of plastic scrap into the world's two largest developing markets provided the pivot for debate at the latest BIR plastics committee meeting, held in Berlin. India has already halted imports while China appears to be considering a similar measure, delegates were informed.

The shock waves from India's decision to ban plastic scrap imports are already being felt in distant parts of the world. In Europe, for example, plastics scrap availability 'has increased tremendously' and prices have suffered a decline, BIR plastics committee chairman Surendra Patawari Borad of Belgium-based Gemini Corporation NV told the body's latest meeting in Berlin. Europe exported more than 160 000 tonnes of plastics scrap to India in 2014 and almost 140 000 tonnes the following year.

Although news of the ban was published in the Indian Gazette on April 4 this year, the regula-

tions were not enforced until late May, and so 'all goods which were loaded before April 4 are being customs-cleared', he explained. 'The goods which were loaded after April 4 will be allowed to be unloaded, but the importers cannot process them until further instructions are given.'

Job losses likely

The ban has left the market 'in limbo' and is likely to result in substantial job losses, according to Patawari Borad. Writing in the latest BIR plastics mirror, he states: 'This decision could affect over 10 000 people who are working for

recycling units which are based on imports of plastic scrap.'

These circumstances are 'very sad', Patawari Borad lamented to delegates in Berlin. 'We hope that India will reconsider its decision of placing plastics scrap in the hazardous goods category.'

The threat of a plastics scrap import ban in China from January 1 next year was addressed by Dr Steve Wong of Fukutomi Co. Ltd, executive president of the China Scrap Plastics Association. Multi-department approval will be required for such a measure, he said, although the Chinese authorities are already targeting for closure some of those factories that have been failing to comply with environmental standards designed to protect air, soil and water against pollution.

A source of controversy

Contributing to the latest BIR plastics mirror, Wong also emphasised the social consequences of a ban, stating: 'To ban imports of waste plastics but to continue to allow the recycling of domestic waste plastics would likely create controversy as it is going to impact those participants in the plastics recycling industry who rely on imported plastic scrap. This would involve thousands of enterprises, including those ancillary to the plastics recycling industry, as well as millions of jobs.' Also in Berlin, BIR plastics division guest speaker Thorsten Diephaus of logistics provider Panalpina Weltransport (Deutschland) GmbH anticipated 'huge' operating losses for most carriers this year as well as further cost reduction programmes and the possibility of new, additional surcharges and of shipping rate increases. □

Success is 'relative' for tyre recyclers

Recyclers and tyre producers in Europe have achieved an important but potentially only 'relative' success regarding use of tyre-derived granules in artificial turf infill, it was explained to the BIR tyres & rubber committee meeting in Berlin by its president Ruud Burlet of Netherlands-based Rubber Resources.

Infill constitutes a 'very big' application area for end-of-life tyres (ELTs) in Europe and so it had been important to convince the EU authorities to postpone any ban pending further research into environmental and health impacts. Based on latest studies in Europe, 'we believe there are no environmental or human health problems' concerning the use of crumb rubber in infill, argued Jean-Pierre Taverne,

coordinator of environment & ELT technical support at the European Tyre & Rubber Manufacturers' Association. He was responding to Robin Wiener, president of the Institute of Scrap Recycling Industries, who said the infill issue was high profile in the USA. Taverne had earlier emphasised the major boost to the Circular Economy that could be provided by Green Public Procurement (GPP), which accounted for approaching 20% of the EU's GDP. His organisation was therefore pushing for revised GPP guidelines which would 'encourage public authorities to foster demand for secondary raw materials and develop new market opportunities'. Fellow guest speaker Jan van den Brand, executive director of Rimal Kargro in the Netherlands,

outlined a new pyrolysis venture under the Dutch Green Carbon banner which is 'upcycling carbon black, oil and gas' from ELTs. 'Demand in the carbon black market is diversified and offers attractive opportunities,' the speaker stated.



By Ian Martin

Textiles

Used clothing exports

to East Africa under serious threat

Despite generating a substantial number of jobs and a host of economic benefits, many East Africans still regard imports of used clothing and footwear as an example of Western World dumping. For this and other reasons, BIR textiles division delegates heard in Berlin, some countries are now looking to consign this trade to history.

Exporters of used clothing and footwear to East Africa must develop 'win-win' strategies if they are to convince governments in the region to continue with this trade. This was the stark but constructive warning delivered to the latest meeting of the BIR textiles division by guest speaker Jalia Nabukalu Packwood. East African Community (EAC) countries - comprising Uganda, Kenya, Tanzania, Rwanda, Burundi and South Sudan - are proposing to phase out imports of used textiles and footwear by 2019. The projected ban reflects a desire within the EAC to develop upper-middle class income in the region by growing high-value jobs and boosting the nations' taxable base. As part of this process, EAC member states are looking to increase domestic manufacturing of textiles and other local industries.

Many have left the business

Business development officer at Bangor University's Sustainability Lab in the UK, Packwood has made a study of the used clothing trade in East Africa. According to her findings, used textiles traders number into the many tens of thousands in Uganda and Kenya, for example. Used clothes account for more than 80% of all clothing purchases in Uganda while Kenya collected US\$ 54 million in tariffs on used clothing

imports in 2013 alone. But despite the evident social and economic benefits derived from the used clothing trade, people engaged in it are 'not paying that much tax' while many Africans still consider it to be an example of Western World 'dumping'.

Some efforts have already been made to undermine the trade, such as Rwanda almost tripling its duty on imported clothing from 35% to 100% while taxes imposed by Kenya and Uganda equate to, respectively, around 75% and 50% of the value of the goods. Many traders in East Africa have duly left the business while others have resorted to importing from Asia 'because it's cheaper'.

Change the negative mindset

According to Packwood, exporter representatives must attempt to change the negative mindset surrounding this business and 'show that it is a good trade'. They should also look to develop 'win-win' trade strategies that take account of the EAC's own economic and environmental ambitions. She ventured: 'Are there opportunities to offer contracts to EAC manufacturers to make clothes for the EU market? Is it possible

to draw on the skills available in Europe, Asia and America and share these skills with the EAC countries (and the rest of Africa) to enable them to realise their goals?'

Eric Stubin of the Secondary Materials and Recycled Textiles Association (SMART) in the USA confirmed in a submitted report that his organisation is keen to collaborate with BIR in its response to the proposed EAC import ban. BIR textiles division president Mehdi Zerroug of Framimex in France acknowledged the importance of developing such a partnership approach.

Commenting on the EAC's position, Alan Wheeler of the UK's Textile Recycling Asso-

ciation (TRA) observed that 'the used clothing sector is by far the most sustainable part of the clothing supply chain'. He also stressed that issues for used clothing exporters are not confined to East Africa: for example, an 'entry price' mechanism on all imports of used clothing is scheduled to come into force in Ukraine on January 1 next year.

Reporting on the UK market, Wheeler confirmed that a quarter of TRA's collector and processor members have gone bankrupt or closed down since the beginning of the 'crash' in used clothing values in 2013. 'Yet despite this,' he added, 'I still have to answer questions from the public, media and charities themselves about how much profit used clothing collectors are making and whether they could be paying more to charities.'

'Cost explosion'

A report submitted by Osamu Shoji of Shoji & Co., Ltd of Japan spoke of a 'terrible' domestic market owing partly to a 30% drop in buying prices and volumes of Japanese originals

purchased by South Korea and Malaysia for sorting and re-exporting. And Sauro Ballerini of Italy reported that recycled feather pillow prices have been hit by the availability of 'really cheap' new feathers from China.

Textiles recyclers in Germany, meanwhile, are continuing to battle 'declining margins' and a 'cost explosion' resulting from the introduction of the country's 'monstrous' Circular Economy Act, said Michael Sigloch of Gras & Sigloch GmbH & Co. □



Jalia Nabukalu Packwood: exporters must develop 'win-win' strategies.