

BIR meets in Miami

Glimpses of sunshine the clouds



A tempered optimism permeated the BIR World Recycling Convention & Exhibition held in the US city of Miami in early June. And yes, we are moving towards better economic times, as the experts continue to claim. However, such sunny forecasts still do not erase the global recycling industry's major on-going problems, including trade barriers, theft and fraud, and pressure on volumes, margins and quality.

For its latest convention, the BIR world recycling organisation had chosen a stylish venue. Featured in the 1964 James Bond film 'Goldfinger', the Fontainebleau Hotel is one of the most historically and architecturally significant on Miami Beach, situated close to the city's famous Art Deco district.



Alexandre Delacoux: 'We will change the focus of our conventions.'

But while holiday-makers were enjoying tequila, sun and an Atlantic sea breeze around the hotel pool and on the white sandy beaches, serious matters and challenges were being discussed in the convention centre. At a pre-event press conference, BIR presi-

dent Björn Grufman lamented that the recent years of economic downturn had been 'tough' for the recycling industry. 'Globally, scrap availability has been reduced - in Europe, even by more than 30%', he said.

Profit margins were under great pressure but 'our industry will come stronger out of the global industrial and financial crisis', according to Grufman. Even now, though, it was not possible to forecast 'when the crisis will come to an end'.

Responding to demand

The world recycling organisation had also been hit by the crisis, confirmed BIR's director general Alexandre Delacoux. Membership was still growing despite these difficult circumstances, albeit at a slower pace. 'In the near future, we will carry out changes within our organisation, such as distribution of responsibilities amongst

our staff in Brussels,' he explained. 'We will also change the focus of our conventions, addressing the various commodities such as with the Textiles Summit here in Miami.' While BIR was adapting 'according to the demands and wishes of the industry', there was also a need for the world organisation to be proactive, he said. Speaking at the BIR Annual General Assembly later in the week, Grufman welcomed the fact that more than 1200 participants from 63 countries had converged on Miami for the convention - 'a great achievement given the still very difficult market conditions'.

Window of growth

The keynote address in Miami was delivered by renowned US forecaster Jason Schenker, the founder and president of Prestige Economics as well as a regular commentator for The Wall Street Journal and Bloomberg News among others. He perceived a three-year window of growth up to the year 2017, followed by 'some downside risks' and the possibility of an economic 'pull-back' in the USA as well as perhaps slower growth in emerging countries. He projected world GDP growth figures of 3-3.5% for this year, rising to around 4.5% by 2017; however, a step back to 2.5% was anticipated for 2018. The speaker went on to reveal the results of

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Miami's South Beach with its eye-catching retro lifeguard station formed the setting for BIR's latest gathering.

benchmarking exercises which demonstrated a significantly more positive outlook among recycling industry respondents in Latin America when compared to their counterparts in North America. In particular, the risks presented by scrap processing margins were rated as 'high' or 'very high' by 82% of respondents in North America as against 29% in Latin America. In addition, scrap supply risks were deemed 'high' or 'very high' by approaching three quarters of all respondents in North America but by a mere 26% in Latin America.

'Our industry will come stronger out of the global crisis.'

China, the world's leading market for recyclables, was another inevitable point of focus in Miami. Several speakers alluded to the impact of its Green Fence import quality regime whereas Bob Yang of the China Entry-Exit Inspection & Quarantine Association Reused and Recycling Branch (CIQAR) provided actual figures. In the first quarter of this year, he told the ITC meeting, China imported 10.66 million tons of

scrap as raw material - or 10.4% less than the 11.9 million tons in the same period last year. When making the same comparison, the value of its imports fell 11.3% from approaching US\$ 7.8 billion to just under US\$ 6.9 billion. Also in the first quarter of 2014, China's CIQ inspected 75 200 batches of imported scrap - of which 55 were rejected, according to Yang.

'A core actor'

At the BIR International Environment Council (IEC) meeting, meanwhile, the emergence of multiple extended producer responsibility (EPR) schemes in France was addressed by Alfred Rosales, executive director of domestic recycling federation FEDEREC. For the interests of the recycling industry to be protected, he maintained, it should be 'a core actor in the EPR schemes' governance and technical expertise'.

With regard to EPR schemes, Rosales also highlighted the importance of ownership. 'If we are not the owner of the material, we are not able to sell,' he stated. Furthermore, FEDEREC wanted: to ensure that the period between reviews of EPR schemes was sufficiently long to encourage investment; and to see the establishment of an independent entity to monitor company data in order to avoid confidentiality issues.

Sealock battling traders' worst nightmare

It's a fast-growing problem that is costing recyclers, traders and insurance companies millions of dollars and Euros every year: container theft. Globally over the past two years, theft of scrap metals from containers has increased by 300-400%, according to Ray Fernandez of Florida-based Sealock Security Systems which was one of 37 exhibitors at the convention.

In his presentation to the International Trade Council (ITC) meeting in Miami, Fernandez confronted the audience with videos and photos illustrating the latest tricks used by criminals to open up containers assumed to be sealed safely and securely. 'There are eight common ways of gaining entry into a container in less than 35 seconds,' he told delegates. Global container security had been built around the bolt seal but this device could be 'bypassed', 'doctored' and 'manipulated' in a variety of ways. Even ITC chairman Robert Voss of UK-based Voss International admitted to being 'shocked' by the apparently endless ingenuity demonstrated by thieves.

Sealock has witnessed an increase in customer numbers over the past 12 months, which Fernandez attributed to 'theft becoming a bigger and bigger concern for the industry'. Convention delegate Michael Nedvidek of US-based Schnitzer Steel Industries, which exports around 1000 containers of non-ferrous scrap per month, echoed this belief: 'For us, it is indeed a big problem.'

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Ray Fernandez of Sealock Security Systems.



Also at the IEC gathering, BIR's environmental & technical director Ross Bartley outlined latest developments at the UN-EP Basel Convention regarding the framework for the environmentally sound management of hazardous and other waste. He expressed concern that latest initiatives involving the Basel Convention's Expert Working Group could result in 'the bar for facilities in the industrialising countries ending up higher than what is required within the OECD' - an outcome that would have the potential to 'cause some stress later on'. □