



World trade: quality matters

## PAPER

## Chinese use more domestic paper

The recovered paper industry has been warned that quality concerns and a burgeoning domestic recycling sector could have an increasing impact on trade with China, although it continues to be the major customer for exporters.

A report to the BIR convention in Paris pointed out that, faced with declining production in the past five years, Chinese mills were focusing on reducing costs and boosting efficiency. But it also indicated that domestic collection in China was growing due to "increased environmental awareness".

The report was presented by Ranjit Baxi, chairman and chief executive of UK-based J&H Sales International.

He had visited China recently and was told that new regulatory controls on domestic recycling would be enforced by the end of the year and would affect the quality of fibre collection streams.

Another aspect, Baxi said, was that the Chinese paper recycling association was about to introduce specifications for recovered fibres.

Baxi had suggested to the Chinese that the 'local' specifications could be tied to international requirements such as EN643 in Europe, but was told that could come in a "second phase", with China more concerned to regulate its domestic market first.

► **New Chinese measures to affect import of secondary materials**  
[MRW.co.uk/8671967.article](http://MRW.co.uk/8671967.article)

## RECYCLING

# Recyclers hit by global manufacturing slump

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The global picture for recycling remains tough, with the manufacturing industries in major economies at least 30% down on 2008 and recyclers competing for fewer materials, according to the president of the Bureau of International Recycling (BIR).

Bjorn Grufman called it "tough times" at a briefing to 900 delegates from 54 countries.

Grufman said it was still particularly challenging for ferrous markets as developed countries attempted to get their economies back to pre-global crash levels.

"Where is the [world] economy going? We have seen a recovery but will it stay like this? We can see signs – and proof – of a recovery in



### MRW reports from the BIR World Recycling Convention in Paris

the US but we haven't seen that in Europe yet," he said.

Grufman said one of the challenges for the rest of the world was the amount of secondary materials, particularly rebar steel, coming on the market from China "on a scale we have not seen before".

BIR director-general Alexander Delacoux, who had been on a recent visit to China, said he felt that the price of steel leaving that country was at "almost dubious levels".

On a brighter note, Grufman praised the BIR's technical director Ross Bartley for standing up for members on the issue of goods

that need repair or treatment for reuse being exported.

This activity is covered by the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, a treaty which regulates exports from developed to less developed countries.

The validity of warranties offered by recyclers on products being exported for repair or reuse had been challenged by primary manufacturers, who had lobbied for only their own warranties to be acceptable under the convention.

But Bartley said that recyclers' warranties were a form of contract and stood up in law. BIR challenged the manufacturers' position at a recent meeting and recyclers' warranties were now part of the continuing discussions.

## EXPORTS

## 'Unjustified' increase in freight rates

A leading British paper exporter has criticised shipping companies over reports that their freight rates will be going up this month.

Ranjit Baxi, chairman and chief executive of J&H Sales International, said he had been informed that increases of up \$300 (£186) per 40ft container had been proposed and the number of available ships would be reduced to support the increase.

Baxi was speaking at the BIR convention in Paris, where a written report presented ahead of the event had noted that the shipping lines had proposed increases in September but these had not been introduced following pressure from exporters.

Baxi told delegates: "We are facing increases at a time when oil

prices are at their lowest for some time. I don't see how they can justify a freight increase."

He pointed out that when oil prices had risen in recent years, exporters were charged similar surcharges per box but there was

no such reason now.

Speaking to *MRW* after the presentation, Baxi doubted that a rate as high as \$300 would be introduced, but said it was not yet clear what level any increase would be.

### VALUE OF UK CLOTHING CONTINUES FALL

The stark impact on the UK textile recycling industry of falling prices, combined with a stronger pound, has been spelled out by the Textile Recycling Association.

Director Alan Wheeler told the BIR textile division that the value of used clothing in the UK had fallen 40% in the past 12 months (*also see story opposite*).

He said charity shop prices

had slumped from around £600 per tonne to around £340, and a similar decline had affected textile banks.

"Confidence in the market has dissipated," he told delegates. "Many UK-based collectors are predicting that the value of British used clothing will continue to fall and, when you look across the various factors, it is hard to disagree."