

Scholz recycling group: First signs of a stabilisation

In a difficult market environment Scholz AG, in the first nine months of the year 2013, had a development in line with the industry sector. "Especially the first half of the year the international scrap-metal market was characterised by declining volumes and prices as a consequence of the weak steel market and the recessionary environment in Europe," comments Oliver Scholz, CEO of the international recycling group. "Since the third quarter there have been signs of a stabilisation of profit margins."

No new EU standard for bin colours

A proposal for new legislation for all waste containers across the EU has been rejected by the standards organisations of Member States. The draft paper proposes the use of nine specific waste-colours like blue, turquoise or bordeaux to differ several waste types. If implemented, each Member State could be forced to implement new bin standards involving strict colour coding and iconography for waste and recycling containers. The new infrastructure to replace the existing systems would develop costs.

Award for High-Profile Recycling Industry Supporter

"The world does not need scrap contracts," proclaimed the London Metal Exchange's former Chief Executive Officer Martin Abbott in his address to the latest BIR Non-Ferrous Metals Division meeting, held in Warsaw on 29 October 2013.

Abbott had earlier argued that, for a forward/futures market to work, "it has to solve a problem". Furthermore, there had to be recognition within an industry that "there is a problem to be solved". He indicated that scrap markets were functioning highly effectively without such tools. Abbott was in Warsaw to receive the BIR Certificate of Merit for his "continuous support and commitment" to the recycling industry. Underlining the "critical role" played by the Bureau of International Recycling, he said the scrap industry in general boasted a greater concentration of "people trading with their own money and assets", resulting in a "no-nonsense business approach" that was "very, very refreshing". The scrap industry was also the biggest user of sophisticated forward/futures markets and was "utterly conversant with them".

Another person to be honoured in Warsaw was Dr Peter Dahmen of Germany's Metallhandels-gesellschaft Schoof & Haslacher. Attending his final meeting as Senior Vice President, he was presented with a gift to commemorate his many years of service to the BIR Non-Ferrous Metals Division board. He has been succeeded

in the role by David Chiao of the Uni-All Group. Chairing the Warsaw meeting in the absence of its divisional President Robert Stein of US-based Alter Trading, Dahmen lamented that the economic situation had not really improved since BIR's 2013 Spring Convention and that the non-ferrous markets "are still characterised by low volumes and reduced margins".

What is going on in the markets?

Conditions were particularly difficult for aluminium – especially in Europe, according to Dahmen. "Refiners and remelters are competing for the same scrap grades, and remelters aren't able to buy the usual scrap according to the LME discounts they need for profitable production," he explained. "Sourcing of scrap for remelters is getting extremely difficult." He believed supply tightness would increase and strong demand would keep premiums for scrap "at a relatively high level". Dahmen went on to highlight the recent publication of "Global non-ferrous scrap flows 2000-2011" – a CRU Strategies report prepared for BIR which focuses on aluminium and copper. Among its conclusions, the document

suggests that demand growth for the two metals "will abate going forward" but that this would not necessarily mean lower demand for scrap.

The above-mentioned awards to Martin Abbott and Dr Peter Dahmen were made by Robert Voss of UK-based Voss International, who chairs the BIR's International Trade Council and is also President of Eurometrec. It was he who later indicated that BIR was considering another member questionnaire in a bid to update its information on metal thefts from containers and to gauge the scope of this "terrible and growing problem". A similar initiative several years ago had turned up "frightening" results, he added.

In his summary of contributions to the recently-released BIR Non-Ferrous Metals World Mirror, Sidney Lazarus of Non-Ferrous Metal Works in South Africa confirmed that, after his country's Metal Recycling Association had lost a court decision on the day prior to the Warsaw meeting, the government would be implementing "with immediate effect" its regulation whereby South African scrap companies would not be allowed to export material without first offering it to domestic consumers at a 20

per cent discount to the international price.

The Warsaw meeting also featured a guest presentation by Alexey Alipchenko, Head of the Representative Office

of CIS, Central Asia and the Baltic Countries at the Trimet Group. He anticipated that Russia's aluminium scrap export tax would be cut from 40 to ten per cent over the course of five to six years.

EMS Framework and Current Reality

Two of the key recycling-related issues currently occupying the UN-EP Basel Convention provided the point of focus for the latest meeting of the BIR International Environment Council (IEC), held in Warsaw on October 28.

Guest speaker Dr Joachim Wuttke from German environmental strategy processes and perspectives developer Umweltbundesamt examined the latest text of the UN-EP Basel Convention "Framework for the Environmentally Sound Management (ESM) of hazardous waste and other waste", as well as draft technical guidelines on transboundary movements of e-waste and used electro-equipment, with particular regard to the distinction between waste and non-waste under the Basel Convention.

Wuttke pointed out that the objective of the ESM framework was to: establish a common understanding of what ESM is; identify tools and strategies to support its implementation; describe the linkages between ESM and transboundary movement; and suggest a set of indicators to monitor progress. He said voluntary certification schemes "could play a role" in terms of implementation tools, while indicators for verification of performance were being widely sought "even if it is not easy to have good indicators".

BIR's Environmental & Technical Director Ross Bartley confirmed that the world recycling organisation had been involved in all technical expert group meetings leading up to the finalisation of the framework. He also observed that the Bureau of International Recycling had funded a study into the environmentally sound management of secondary smelters around the world; likely to be published early in 2014, this was intended to establish "the current reality" and hopefully challenge suppositions that the environmentally sound management of permitted/authorised facilities varies greatly from one country to another.

As regards the draft technical guidelines on transboundary movements of e-waste and used electrical and electronic equipment, Wuttke said discussions surrounding the waste/non-waste distinction had been "very complicated". Having underlined that some countries remain fearful of being "flooded" with electronics in non-working condition, the guest speaker argued that the strictest of legislation would still not prevent illegal exports.

Commenting on legislation in general, IEC Chairman Olivier François of NV Galloometal, France, noted that his home country had generated around 80,000 pages of new regulations last year, many of them relating to the environment. Although mostly well-intended, such a volume of regulation was impossible to assimilate such that the interpretations adopted and the actions taken by enforcement agencies could not be predicted. As a result, the effects of this "bad situation" could be "disastrous", he contended.

