

# BIR – World Recycling Convention

## Non Ferrous Division: Common Position on Free Trade

*Berlin, 25. May 2004 – A common position supporting 'free and uninhibited movement of scrap material throughout the world' was unanimously agreed by the Board of BIR's Non-Ferrous Metal Division in Berlin at the World Recycling Convention of the Bureau of International Recycling (BIR).*

Reading the position statement to the divisional meeting held later that same day, Senior Vice-President Robert Stein of Alter Trading in the USA said scrap material movement should be 'unencumbered by export controls' (see METALL 6/2004, p. 343).

Reporting on the activities of Euro-metrec, Björn Grufman of M.V. Metallvärden AB in Sweden said his own organisation opposed 'any unilateral initiative intending to impose arbitrary export controls on non-ferrous metal scrap'. Eurometrec recommended the EU and World Trade Organization (WTO) to take an urgent look at 'the various unfair trade, fiscal and environmental measures which distort the world non-ferrous metals market'.

### Three major questions

In his market overview, Non-Ferrous Metal Division President Marc Natan of Malco SA in France spoke of the 'long-forgotten peaks' achieved by ferrous and non-ferrous metal prices in the six months to March this year. Cycles within the non-ferrous market 'were becoming more rapid and inconsistent', he added.

Mr Natan expected three major questions to dominate the non-ferrous metals trade during the remainder of 2004:

- Would the USA experience a lasting pick-up in employment levels?
- Would there be an end to the appreciation of the Euro?

■ And would China manage to avoid a 'boom and bust' scenario?

Although most of global consumption headlines were currently claimed by

China, Mr Natan reminded delegates that India was also a 'real giant' in terms of consumption potential.

The Non-Ferrous Metal Division's General Delegate Hans-Peter Münster of VDM in Germany expected to see 'volatile' market conditions in the weeks following the BIR convention. And with China buying at reduced levels, more material was available in Europe and therefore suppliers had been 're-discovering their traditional customers'. He also noted that discussions between Russia and the EU about the possibility of lifting the former's tariffs on scrap had yet to bear fruit.

Ildar Neverov of Teplovtorresource in Russia said administrative scrap export barriers 'should be removed in order for Russia to enter the WTO'. He

highlighted the need for significant improvements in the regulations currently applied to the non-ferrous scrap industry in Russia, which he described as a 'rapidly developing area of the economy'.

### Conditions within the brass industry

The shortage of scrap and current conditions within the European brass industry were the focus of a guest presentation from Lothar Krumbügel of Diehl Metall Stiftung & Co. KG in Germany. He blamed subsidies in China for the creation of a major raw materials shortage among Western European brass mills. The authorities had been asked to take action to safeguard raw material supply in Europe but, if they failed so to do, 'the metal industry will have to find its own way of securing its supply', he warned. 'Bigger companies are perfectly well placed to directly contact the scrap generating industry in order to hold the material under the control of the industry, even if one has to invest in containers, lorries and man-power.



Copper-Scrap (photo: METALL)

## Improved recycling business

*Berlin, 25 May 2004 - „After a very difficult year in 2003, the copper recycling business is clearly picking up“, said Gerd Hoffmann, manager of the recycling sector at Norddeutsche Affinerie (NA) during the conference of the international recycling association, BIR, in Berlin. „Incentives to increase the collection of copper scrap and diminish existing stocks have been provided by the sharp rise in the copper price since the beginning of the year. In addition, improved capacity utilisation in the processing industry has resulted in larger quantities of production scrap and recycling materials arising.“*

Thus, year on year the availability of supplies on the European market has significantly improved. 2003 was impacted by a severe shortage of supplies of copper scrap and extremely low refining charges. The refining charges have, however, meanwhile recovered well from the lows of EUR 70 – 90/t reached in summer 2003 and are now fluctuating around EUR 200/t. This easing of the copper scrap market has resulted in a significant improvement in raw material supplies for the NA recycling operations in Lünen and Hamburg and therefore also in the utilisation of the smelter plant. At the same time the higher refining charges have significantly improved their contribution to earnings at NA.

„The current market situation is admittedly very positive but the copper scrap market has always been characterised by quick changes,“ continued Hoffmann. „In addition, China's demand for raw materials is still high.“ Last year with their aggressive purchasing policy Chinese copper scrap

buyers, who due to subsidies have substantial advantages in competition not conforming to the WTO, had put the European and North American copper industry under considerable pressure and played a decisive role in the margin erosion in 2003.

„The experience has taught us to be alert, also in better times“, said the manager of NA's recycling division. „Our clearly improved cost position which we could only achieve by taking far-reaching measures, has become more than ever the crucial competitive factor. The recycling business is being generally reoriented. The focus is on complex recycling raw materials, such as electric and electronic scrap, which increasingly need recycling. With the newly developed Kayser Recycling



**Gerd Hoffmann: The copper recycling business is clearly picking up.” (photo: METALL)**

System, which provides very good production results, we have an excellent technology at our disposal.“ Norddeutsche Affinerie is the global leader in the copper recycling business. At Hüttenwerke Kayser (HK) at the Lünen site and in the Hamburg production facilities more than 300,000 t of metal-bearing secondary raw materials are recycled using ecologically exemplary processes.

## BIR-Shredder Committee: ELV Directive not homogeneous

Berlin, 25. May 2004 - The BIR Shredder Committee meeting learned that implementation of the EU's End-of-Life Vehicles (ELV) Directive was 'not homogeneous'. Timetables and targets differed, some systems were funded whereas others were not, and variations existed between technical requirements, according to BIR's Environmental & Technical Director Ross Bartley. From countries where national ELV legislation was in place, there had been complaints about lack of enforcement and about the data gathering bur-

den, he said in his report on the recent activities of the European Shredder Group.

Chairing the meeting, Anthony Bird OBE of the UK-based Bird Group of Companies said that the shredder industry was 'very concerned' about the ELV legislation and argued that the producer should be responsible for the estimated EUR 150 cost of depolluting each vehicle. He identified the 'tremendous pressure' placed on the recycling industry by the automotive sector to 'do this work for nothing'.

The guest presentation at the Shredder Committee meeting in Berlin dealt with some of the issues surrounding use of automotive shredder residues (ASR) as a reducing agent in blast furnaces. Dr Peter Schmöle, Manager of Crude Iron Production at ThyssenKrupp Stahl AG in Germany, suggested that a blast furnace could consume up to 60,000 tonnes per annum of processed ASR. 'Processed residues can be recycled in a way that makes sense both from an ecological and an economic point of view,' he concluded.