

BIR World Recycling Convention: Outlook for Europe's recovered fiber surplus

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Delegates indicate that Turkey could provide a home for Europe's recovered fiber over the next three to four years.

During the Bureau of International Recycling's (BIR's) World Recycling Convention Oct. 13-15 in Budapest, Hungary, delegates debated the outlook for Europe's recovered fiber surplus. Delegates of Brussels-based BIR's Paper Division indicated that Turkey could provide a home for a significant proportion of Europe's recovered fiber surplus over the next three to four years.

By the year 2023, Turkish paper mills are expected to have developed a combined annual production capacity of between 6 million and 7 million metric tons, BIR reports. However, the country's collection rate of about 40 percent is well below that achieved by many developed countries and is not increasing, according to Ercan Yürekli from TUDAM, the national association of Turkish paper and plastic recyclers and collectors. As a result, there will be a need for annual imports into Turkey of perhaps 2 million to 3 million metric tons of recovered fiber, meaning that the country could provide "a solution for some of Europe's surplus," he said during the event.

Under current waste management regulations in Turkey, only recyclers are allowed to import recovered paper whereas collection companies cannot. The country's imports have soared from just over 300,000 metric tons in 2015 to more than 725,000 metric tons in 2018, with a figure nearer 1 million metric tons anticipated for 2019.

Martin Leander, vice president of Stena Metal International AB, reported in the session that new capacity is also emerging in Sweden. At the same time, the insulation and hygiene sectors have been testing wider use of recovered fiber in their products.

Earlier in the BIR Paper Division's meeting, the body's General Delegate Sébastien Ricard of France-based Paprec explained that Europe's structural surplus of recovered fiber is currently approaching 8 million metric tons per year, with annual collections of 56.7 million metric tons exceeding consumption of 48.8 million metric tons. "So, we need exports in Europe," he stated in the session. "We need new markets."

Until recently, China's demand for European fiber had represented the market's balancing factor. However, the recent shift in Chinese policy has resulted in a steep decline in its overall fiber imports—from around 28 million metric tons in 2017 to about 5 million metric tons in 2020, according to Yürekli. To make matters more difficult for Europe's exporters, most of China's recovered paper quotas have been used to purchase from the United States instead, Ricard adds.

With few opportunities to sell into China, Ricard said prices in Europe have "collapsed" and the price for cardboard, or old corrugated containers (OCC), is currently around the low recorded in August 2009. Mills have taken advantage of the steep drops in fiber prices by becoming "more and more demanding on quality," Ricard stated.

BIR Paper Division President Martin Soth of Pieringer Abfall Verwertung GmbH in Austria pointed to falling prices in Eastern Europe and problems with deliveries because Western companies have been keeping the region's mills well supplied—something which did not happen, he added, when China was more active in the market.

Supported by factors such as continuing growth in online shopping, cardboard prices may well increase at some point in the future "but with a premium on quality," Ricard concluded.

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