

# BIR World Recycling Convention: Trade issues continue to affect ferrous scrap flows

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Obstacles to free trade also affect sustainability, says Viktor Kovshevny of the Russian recycling association Ruslom.

Viktor Kovshevny of the Russian recycling association Ruslom, Moscow, addressed the Ferrous Division during the Bureau of International Recycling (BIR) World Recycling Convention Round-Table Sessions in Budapest, Hungary, Oct. 14-15. According to a news release from the BIR, he reviewed recent moves in Russia toward scrap export restrictions.

Having imposed quotas for the final four months of 2019, the Russian government also is proposing that all export sales be listed on a metal exchange platform starting April 1, 2020, for greater transparency, he said. The main problems with such an exchange, Kovshevny added, are that "scrap is bought, not sold" and that commercial confidentiality would be destroyed with such a system.

He also said delays in the quota licensing process caused a suspension of exports that cost the scrap industry "hundreds of millions of U.S. dollars."

Having underlined that problems with trade restrictions are not limited to Russia, Kovshevny urged investors worldwide to stop putting money into businesses that restrict the free trade of recycled materials and put obstacles in the way of sustainability.

"I think we can agree that there is no place for quotas, tariffs and bans in the scrap industry," Greg Schnitzer of Portland, Oregon-based Schnitzer Steel Industries Inc. and BIR Ferrous Division president said in response to Kovshevny's presentation.

In a guest presentation focusing on steel industry oversupply, Becky E. Hites of Steel-Insights LLC, Atlanta, highlighted the steep surge in China's scrap-intensive electric arc furnace (EAF) steel production from less than 80 million metric tons in 2017 to more than 120 million metric tons in 2018. She estimated a further increase of almost 22 percent by the year 2022 to 142.6 million metric tons of EAF production.

Hisatoshi Kojo of Metz Corp., Tokyo, said that while Japan's domestic demand for steel is expected to remain relatively stable, exports are expected to decline owing to weaker demand from China, for example.

On the issue of Brexit, Shane Mellor of Mellor Metals Ltd. in the U.K. expressed concern about its potential to hinder trade but remained confident that "the market will always sort itself out" and that the U.K. will continue to maintain a strong trading relationship with the rest of Europe.

In his update of the 10th edition of "World Steel Recycling in Figures," Brussels-based BIR Statistics Advisor Rolf Willeke noted a further 20.7 percent leap in China's steel scrap usage for crude steel production, having grown from 85.57 million metric tons in the January to June 2018 period to 103.28 million metric tons in this year's corresponding period. This growth "reinforces China's position as the world's largest steel scrap user," he added.

Willeke ascribed this steep increase to the higher pollutant emission standards set for China's steel industry and, as a consequence, a hike in most basic oxygen furnace (BOF) mills' scrap inputs to an average of 20.2 percent, the further increase in China's EAF production and a 9.9 percent year-on-year surge in China's total crude steel production when comparing the first six months of 2019 with the same period in 2018.

Although Turkey remained the world's top importer of ferrous scrap, the first half of 2019 brought a 16.4 percent year-on-year decline in the country's overseas steel scrap purchases to 9 million metric tons, Willeke said.

He added that the EU-28 remained the world's leading steel scrap exporter, boosting its outbound shipments in the first six months of 2019 by 3.1 percent to 11.02 million metric tons.

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