

CCIC North America to resume inspections: Update

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(Adds ISRI confirmation, comments from ninth paragraph)

Houston, 4 June (Argus) — The US arm of China's scrap cargo certification and inspection agency will resume operations this week following a month-long suspension by the Chinese government.

The state-affiliated China Certification and Inspection Group North America (CCICNA) will begin accepting pre-shipment applications on 8 June, the company said in a letter dated 1 June.

The announcement follows a notice issued by China's General Administration of Customs on 28 May outlining the rules effective 1 June for the supervision and administration of pre-shipment inspections.

"Due to the need for system adjustments, our company will start accepting inspection applications on 8 June," the Rancho Cucamongo, California-based company said.

CCICNA also said it will comply with a requirement that all inspections take place on site, which ISRI said in a notice "conforms to unconfirmed news that any entities that had been allowed to self-inspect [prior to the suspension] may no longer be able to do so."

CCICNA expects at least five working days to process inspection applications and arrange an inspection date.

China's unexpected one-month suspension of the US operations of the state-affiliated inspection group on 4 May effectively halted US exports to China and roiled flows of aluminum and copper scrap. The decision caused uncertainty about US shipments already on the water and sent exporters scrambling for alternative homes for material. Some market participants have estimated that as much as a third or more of the volume that would have been exported to China during the month remains stranded in US dealer yards.

China on 22 May authorized Canadian inspectors to certify US material, but this did little to make a significant difference in getting new containers on the water.

An announcement last week from China's General Administration of Customs also revealed that China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has most likely been dissolved.

According to information released by trade associations BIR and ISRI, China's Customs released guidance for third party inspection agencies to apply for a license from the Chinese government to conduct pre-shipment inspections for scrap prepared for the Chinese market. This gives China's Customs office oversight of all pre-shipment inspections and opens the process up to organizations outside of CCICNA.

ISRI learned from its contacts in China that the Chinese government's restructuring may have led to the dissolution of AQSIQ.

"Although a positive development to help resume scrap trade with China, it is important to note that a CCIC pre-shipment inspection certificate is not a guarantee that materials will be cleared at the port of arrival," ISRI said today.

Through the reports of Customs actions and statements by Chinese officials, it is clear that China is attempting to implement the "carried waste" standards at the port of entry, ISRI said.

The organization continues to seek clarity from the Chinese government on the carried waste standards - including how it is measured.

ISRI advised its members to continue to document the condition of shipments and their contents prior to shipping.