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China shredder total surges to rival US

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China's automotive shredder capacity is growing at a meteoric pace, based on new figures released by the Bureau of International Recycling's shredder committee.

The number of shredders in China has soared to 317, up by 247 from 70 at the end of 2017, according to the latest world shredder list released this week by the bureau's shredder committee chairman Alton Scott Newell III of US-based Newell Recycling Equipment.

This expansion means that China's shredder total is larger than Europe's, where there are 300, and is just five lower than the US's 322. The number of shredders in China is now almost treble the total in Japan, which has Asia's next-largest number with 110.

The magnitude of the increase in shredding capacity reflects China's drive to increase its domestic ferrous and non-ferrous scrap processing capability as it continues to restrict imports.

The country announced earlier this month <u>new automotive scrapping regulation</u> to eliminate illegal recycling and promote an open scrap market from June onwards.

China needs to increase its shredding capability to satisfy its rising ferrous scrap consumption and compensate for the fall in imports of aluminium scrap grades, particularly zorba.

However, there are several caveats that must be noted regarding the new shredder total. The first is that there is no detail on the average specifications of these additions, so it is not yet clear whether the total includes the kind of large, sophisticated shredders that drive high processing capacity in the US and Europe.

Additionally, several market participants told *Argus* at the bureau's conference in Singapore this week that they are doubtful that China has yet developed the necessary infrastructure to generate the volume of inflow that can allow for high utilisation of its new shredders.

Barriers to higher shred output in China include lower scrap rates for end-of-life vehicles compared to developed economies, diversion of scrapped cars to the black market and limited numbers of large auto recyclers with extended collection networks.

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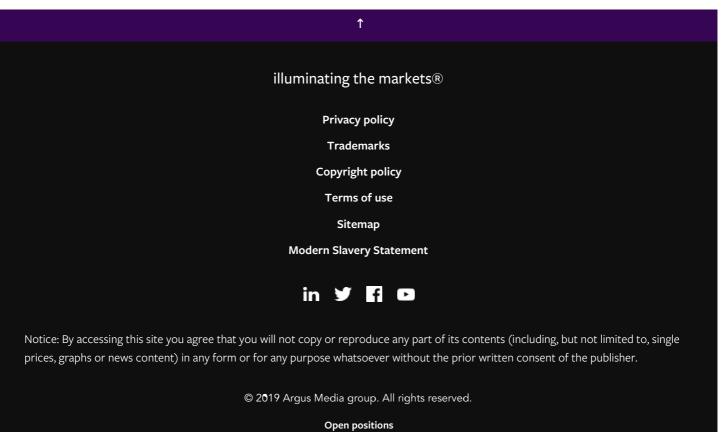
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