Commodity Research Unit to monitor scrap movements

2008 World Recycling Convention & BIR's 60th Anniversary Celebration – NF metals

"The era of cheap scrap has long passed," declared BIR Non-Ferrous Metals Division President Robert Stein of US-based Alter Trading in his opening address to a well-attended divisional meeting in Monte-Carlo (2-4 June 2008).

The need for metal units is - and will be - strong for the foreseeable future. Strategically-minded consumers and fabricators will do well to take note that the supply side of this industry will dominate its economic model for years to come."

In recognition of the importance of understanding trends in the international flow of scrap metal, Mr Stein revealed that his divisional board had voted to engage the services of the Commodity Research Unit to help the industry monitor more closely the movement of its products. This would serve as a reporting tool and as a means of deciding "where the emphasis of our efforts needs to be placed now and in the future".

Reviewing current global market conditions, Paul Coyte of Hayes Metals in New Zealand drew particular attention to discussion of a 60% power consumption surcharge in South Africa which would have a potentially "massive" impact on the metals sector.

Meanwhile, the recent earthquake in China's Sichuan province had disrupted production of lead and zinc such that "prices could potentially spike in the short to medium term".

LME with cobalt and molybdenum contracts?

The meeting featured a number of guest presentations, led off by London Metal Exchange's Chief Executive Martin Abbott. He argued that "volatility is inherent in commodity marketplaces" and was not attributable to exchanges, as some people had contended. "We do not create the market - we reflect the market," Mr Abbott insisted, pointing out that non-exchange traded commodities were often "even more volatile than on-exchange products". Mr Abbott went on to confirm that the LME was "a long way down the road" with its "very serious study" into the possibility of introducing cobalt and molybdenum contracts, adding that an announcement on this would be made within the next few months.

India with more substantial metal users

According to Ujjwal Munjal, CEO of motorised vehicle specialist Rockman Industries of India, his country's comparatively low per capita consumption of metals "cloaks immense potential". A significant proportion of the population consumed "virtually zero" but would become more substantial metal users over the next five to 10 years, he maintained. By way of example, he suggested India's aluminium demand would climb 8-9% per annum while the country's copper consumption growth would easily outstrip the world average.

Aluminium – over 70 percent still in use

Thomas Tumoscheit, Director European Metals Group of Alcoa Europe, noted that his company's annual aluminium scrap consumption had exceeded 1 million tonnes for the first time ever in 2007. He told, that over 70 % of the aluminium ever produced is still in use, equalling 561 million mt – of a total 772 million mt manufactured since 1886. This generates immediate metal supply requiring only limited capital investment when compared to mining, refining and smelting primary aluminium.

Having underlined the need for suppliers to provide scrap of a consistent grade and quality, the speaker confirmed that his company preferred to rely on long-term partnerships.

The continuing discussion of when a waste ceases to be a waste provided the basis for the presentation from Everard van der Straten, Deputy Administrator at Metallo-Chimique NV of Belgium. In particular, he pointed to trade concerns over disclosure of the names of suppliers and end consumers on the controversial Annex VII document.

Board of the non-ferrous session (photo: *METALL*)

BIR welcomes European Parliament vote revising the Waste Framework Directive

On behalf of its EU members, the Bureau of International Recycling (BIR) welcomes the vote of the European Parliament from June, which endorses the compromise to revise the Waste Framework Directive reached by the Rapporteur Caroline Jackson with the Council of Ministers.

This modernisation of waste management in the EU in favour of a priority order of waste prevention, re-use and recycling will help with climate protection given that recycling in particular saves on greenhouse gas emissions in comparison with primary production. At the same time, recycling saves resources of both energy and materials.

"The Bureau of International Recycling had since the 1990s been promoting the need for a legal process to determine when waste ceases to be waste," said Ross Bartley, Environmental and Technical Director of BIR. "Early waste management laws defined so easily what constituted waste. But now, to encourage higher standards of recycling and the marketing of better-quality recyclables, the European Parliament's setting of conditions for 'Waste to cease to be waste' is much needed."

The revision of the Waste Framework Directive brings much-needed legal clarity in particular to the definitions and distinctions used by the law. Higher standards are demanded for the technical and organisational requirements regarding collection, segregation and treatment of wastes.

The revised law enables the wished-for "Recycling Society", recognising the need for higher recovery and recycling quotas now and in the future, and the need for incentives to prevent waste. All the elements included help towards proper resource protection.

Kostenexplosion gefährdet die Aluminiumrecycling-Industrie

DÜSSELDORF. Juli 2008 - Eine Kostenexplosion bisher nicht bekannten Ausmaßes belastet die Aluminiumrecycling-Industrie und hier insbesondere die Hersteller von Aluminiumguss- und Aluminiumknetlegierungen.

Von den Preiserhöhungen sind Legierungselemente wie Schmelzkosten gleichermaßen betroffen. So sind die Preise für Siliziummetall innerhalb von 12 Monaten um 60 %, für Magnesium sogar um 132 % gestiegen. Der Ölpreis ist in diesem Zeitraum um 98 % gestiegen. Bei Gas und Strom werden spätestens im Herbst weitere Preissteigerungen erwartet. Aber auch wichtige Hilfsstoffe wie Schmelzsalze und deren Verwertung werden von der Preisexplosion erfasst. Bei der Herstellung von recyceltem Aluminium liegen die Kostensteigerungen mittlerweile bei 40 – 50 %, wobei die Tendenz weiter steigend ist.

Wie Erich Oetinger, Vorsitzender des Verbandes der Aluminiumrecycling-Industrie (VAR), jetzt mitteilte, wird es für die deutsche Aluminiumrecycling-Industrie langsam eng, wenn es nicht gelingt, die außerordentlichen Preiserhöhungen in angemessener Form an die Kunden weiterzugeben. Knapp 80 % der Produktion in Deutschland wird in der Automobilindustrie zur Herstellung von Zylinderköpfen, Motorblöcken, Getriebegehäusen und anderen Anwendungen eingesetzt.

Emissionshandel ist existenzbedrohend

Eine weitere Verschärfung der Kostensituation zeichne sich bereits ab. So rechnet die Industrie wegen der gestiegenen Dieselkosten mit höheren Transportkosten. Auch die Neustrukturierung der LKW-Maut wird kritisch beobachtet. Geradezu Existenz bedrohend ist nach Ansicht von Erich Oetinger die Absicht der EU-Kommission, die im internationalen Wettbewerb stehende Aluminiumrecycling-Industrie dem Emissionshandel zu unterwerfen. Auch aus ökologischer Sicht erscheine dieses Vorhaben widersinnig, da die Herstellung von recyceltem Aluminium bis zu 95 % weniger Energie benötige als die Herstellung von Primärmetall. Ähnlich günstig sei auch die Bilanz bei den CO_2-Emissionen.

Die Kostensteigerung treffe eine Industrie, die in Deutschland und in Europa als Rohstofflieferant für die Automobilindustrie eine wichtige Funktion ausübe. Im Jahre 2007 produzierte die deutsche Aluminiumrecycling-Industrie 795.525 Tonnen Aluminium-Gusslegierungen.