

By Ian Martin

Competition puts pressure on European operators

The over-arching presence of Chinese buyers once again emerged as a key theme during the BIR Plastics Round-Table in London.

According to Jacques Musa of Soulier in France, China had been prominent in the French market, with the result that competition remained very strong and demand was outstripping supply. Prices had risen every month since the previous BIR

convention in Berlin, most notably for 100%, 90/10 and 80/20 films.

'It remains to be seen whether the Chinese licensing system will reduce import activity but we should not forget that India is also very active,' said Mr Musa. 'The European market seems to be reacting positively to this competition.'

Potential risks

The report submitted by Marc Figueras of Peninplastic in Spain also contended that domestic recyclers were 'not always able to follow the price increases at the same pace as the Asian markets', while Plastics Round-Table Chairman Peter Daalder of Daly Plastics in The Netherlands argued that 'we have to take care of international markets but also of our local reproprocessors'. Container hold-ups in China earlier this year had underlined the potential risks associated with export business, he added.

A perspective on the Indian market was provided by Surendra Kumar Borad of the Belgium-based Gemini Corporation. He noted that,



The towers of the west wing of Westminster Abbey were added to the cathedral in the first half of the eighteenth century by Nicholas Hawksmoor. (Photo: Bert Garino)



Plastics Round-Table Chairman Peter Daalder of The Netherlands (left) and guest speaker Lee Clayton, General Manager of Delleve Plastics of St Helens, UK.



Gregory Cardot of Soulier, France (left), and Surendra Kumar Borad of the Belgium-based Gemini Corporation.

in response to inflationary prices, the Indian government had reduced the import duty on plastic scrap from 20% to 15%. At the same time, however, 'tremendous' congestion at Indian ports had pushed up sea freight rates and was making trade in plastics 'very difficult'.

Multi-million investment

The guest speaker at the Plastics Round-Table was Lee Clayton, General Manager of Delleve Plastics Ltd

of St Helens. His company had invested £4 million (€ 6 million/US\$ 7.7 million) in a bottle recycling plant which, he said, was unique in the UK in being equipped to process mixed bottles. Boasting a capacity of 20 000 tonnes per annum, the plant produces industrial raw materials and also 'added value' goods such as drainage pipe.

Mr Clayton went on to describe as 'embarrassing' the UK's plastic bottle collection rate of around 5%. □

Used tyre recovery: two years ... and counting

'We have less than two years to get our act together in Europe,' warned Tyres Round-Table guest speaker John Dorken, Director of the British Rubber Manufacturers' Association, in his review of progress towards the EU target of 100% recovery of used tyres.

Noting that shredded tyres would not be accepted at landfill sites from July 2006 onwards, he pointed out that some countries were struggling to achieve the recovery goal, with Spain, for example, posting a recovery rate of just 40% in 2003.

While certain countries had adopted tax systems or the free market approach to reaching the recovery

target, Mr Dorken believed producer responsibility schemes would be in place in most states by 2006, not least because these provided a strong management framework in cases of an 'immature' market.

Corporate social responsibility

According to Mr Dorken, major manufacturers wanted 'close involvement' in the pursuit of the 100% recovery goal because of a 'growing acceptance of producer responsibility in dealing with the environmental impact of products'. This approach reflected corporate social responsibility but also 'enlightened self interest' since 'governments will turn to man-

ufacturers if things go wrong and so there is some advantage in pre-empting this possibility,' he said.

Asked whether demand for tyre scrap would be sufficient to absorb available supply, Mr Dorken pointed to a 'remarkably buoyant' market for granulate as well as to the importance of take-up by the cement industry. But he added: 'There is still room in the long term for "blue sky" (application) ideas.'

The Dutch used tyre scheme would succeed because of the level of controls in place throughout, the Round-Table was told by its Chairman, Barend Ten Bruggencate of VACO in The Netherlands.

Manufacturers and importers were being asked to collect scrap tyres at zero cost in line with market share. Some 20% of these scrap tyres by weight had to be recycled as raw materials in useful applications by the start of 2005, he explained.



Tyre Round-Table Chairman, Barend Ten Bruggencate.