



In 1970, Norwegian scientist Thor Heyerdahl set sail from Morocco on the reed boat RA II and reached Barbados in the Caribbean 57 days, after a voyage of 6,100 kilometres.

Delegates given food for thought

With developing nations absorbing ever-increasing volumes of the world's available recovered paper, the challenge facing the recycling industry is to source additional volumes at a time when several negative factors are emerging. Notably, proposals surrounding 'food contact' threaten to remove millions of tonnes from the recovered paper mainstream.

Anthing between 2 and 5 million tonnes of recovered paper presently collected in Europe may be lost to the traditional recycling chain if onerous 'food contact' measures are enforced, the BIR Paper Division was warned in Oslo.

In his presidential report on the affairs of the European Recovered Paper Association (ERPA), Maarten Kleiweg de Zwaan of The Netherlands explained that the paper industry was under pressure from its major food processing customers to impose a more sophisticated traceability regime on its products. As a result, producers would like the recovered paper industry to 'label all their bales, with an identification number per bale describing the origin - country, supplier and source - and the grade of the recovered paper'.

While acknowledging the importance of being able to offer customers safety assurances, Mr Kleiweg de Zwaan commented: 'By asking where our paper comes from and what are our sources, the paper industry is asking too much.' The system in Germany of putting only the name and address of the final contract partner to the mill 'should suffice', he said.

According to the speaker, certain recyclers had already threatened to shift their supply activities to other regions of the world 'if in Europe there are going to be all kinds of legal constraints'.

ERPA's President also put the discussion in the wider context of global recovered paper consumption trends. 'We have to realise that, between now and 2006, we will need an additional 5 million tonnes of recovered paper in Europe and perhaps another 3 million tonnes for the Far East - thus an extra 8 million tonnes in total,' he explained. 'Coupled to this, it has been estimated that anything between 2 and 5 million tonnes presently collected in Europe

could not go any more to those mills which produce paper and board which comes into contact with food-stuffs.' He therefore posed the question: 'Where is all this recovered paper going to come from?'

Impact of developing markets

Paper Division President Dominique Maguin of Soulier, France, also highlighted the threat of tonnage losses through 'food contact' proposals and of a reduction in European collection rates. At the same time, he underlined the increasing impact of highly-populated developing markets - notably India and China - on international recovered paper flows. According to his figures, requirements in Asia could be expected to increase by a further 11 million tonnes over the three years to 2006, with demand from China's Nine Dragons group alone thought likely to grow by 3.8 million tonnes.

Recent years had brought a 'colossal' increase in trade flows such that recovered paper was now shipped 'every which way' across the world. Even in Europe, the traditional 'north-south' flow of material had been disrupted to the extent that Italy had become an exporter of albeit 'modest' tonnages.

Mr Maguin went on to outline his vision of how BIR's Paper Division should respond to the fundamental changes taking place in the world market. 'We need to make our market analyses more precise and review them over time,' he contended, noting a proposal made earlier that day to increase the frequency of BIR's recovered paper reviews from every quarter to every month.

Outside assistance

Mr Maguin also highlighted a need to 'invite the assistance of outside experts to validate our



Maarten Kleiweg de Zwaan of The Netherlands, President of the European Recovered Paper Association (ERPA).

By Ian Martin



thinking' In this context, he hoped to attract a maritime transport expert to the BIR Autumn Convention in Vienna this October since this was a field of activity of growing relevance to recovered paper markets and prices.

The Paper Division's President also proposed the creation of working groups to tackle major issues of the day. And he concluded by urging BIR members to throw off their customary reticence and come forward with opinions on the chief issues of the day, such as traceability and food contact. 'Communication will help us to build our credibility, notably among the public authorities,' he said.

Among the guest speakers at the Paper Division meeting was Johan van der Zwaag, Vice-President of Norske Skog Europe Recovered Paper NV in Belgium, which operates a total of 24 mills worldwide. He put the company's recovered paper recycling capacity at 3.49 million tonnes per annum, including just under 2 million tonnes in Asia and 1.34 million tonnes in Europe.

He argued that Far East buying patterns were leading to recovered paper price peaks, which in turn were causing 'major sorrows' for producers in the West. Price fluctuations were 'good for traders in the short term but not in the long run,' he warned. 'Price fluctuations might force paper producers to use less volatile raw materials.'

Triple role

Philippe Moreau, CEO France of Anthon B. Nilsen contended that, in today's rapidly-moving markets, the paper trading house performed the triple role of bank, logistics organisation and market analyst. He also observed that, following an initial bout of enthusiasm, municipalities in the U.S. - for example, New York City - have been looking to exit their recycling activities. 'What they have learned,' he said, 'is the cost of collection material is very high and the markets are vulnerable to too-low prices, causing large deficits in recycling budgets.'

Meanwhile, Ivar Karlsen, Group Chief Executive of Norsk Gjenvinning in Denmark, noted the annual collection of around 560 000 tonnes of the 1.115 million tonnes of recovered paper available each year in Norway, adding that his own group enjoyed an almost 60% recovery market share with a total of 308 000 tonnes. This figure was made up of: 100 000 tonnes of brown qualities, 125 000 tonnes of news & pams and 83 000 tonnes of other grades.

Company challenges included optimisation of logistics to overcome the problem of 'long and expensive transport routes' in Norway. In addition, there was an increased requirement within Norway for traceability, although paper manufacturers' product responsibility had yet to be fully developed, according to Mr Karlsen.



Guest speakers Johan van der Zwaag, Vice-President of Norske Skog Europe Recovered Paper in Belgium (left) and Ivar Karlsen, Group Chief Executive of Norsk Gjenvinning in Denmark.



BIR's Paper Division President Dominique Maguin of Soulier, France (right) and guest speaker Philip Moreau, CEO of Anthon B. Nilsen of France.