

Chinese mills to push scrap ratios to the max

The world was producing less than 36 million tonnes of crude stainless steel per annum as recently as 2011 but, according to a leading industry guru, this figure will be catapulted beyond 46 million tonnes in 2015. However, he anticipated becalmed demand from the North American Free Trade Agreement region during 2015 and 2016.

Given the backdrop of a 'difficult' market characterised by 'scrap merchants hesitating to sell at current prices', BIR stainless steel & special alloys committee chairman Joost Van Kleef of KMR Stainless in the Netherlands suggested that there was even more to be gained from listening to best-available market information.

What followed was an in-depth review of global market forces, frictions and forecasts from one of the world's most renowned experts on the stainless steel market: Markus Moll, managing director of Steel and Metals Market Research of Austria. Notably, he forecast that global crude stainless steel production would increase by 3.8% to 46.36 million tonnes in 2015. China would continue to produce more than half of the world's stainless steel through achieving growth

of almost 4% this year to 24 million tonnes, with Moll describing this forecast as 'conservative'. China was 'consuming 100% of its domestically available scrap', he added, and would continue to build its scrap ratio - currently at 22% - as more came into the cycle of what represented an increasingly mature market. Although nickel pig iron was currently the main feed for the country's producers, 'mills want to maximise their scrap ratios', he insisted.

The 'Modi factor'



Markus Moll: nickel prices on the rise.

Having leapt more than 30% in 2014 to 2.98 million tonnes, US stainless steel output was expected to edge just 0.5% higher in 2015 to some 3 million tonnes whereas production in Europe was projected to grow 5.1% to 7.65 million tonnes. For India, meanwhile, it was

Stainless Steel & Special Alloys



According to steel market analysts, China consumes 100% of its domestically available scrap.

believed that the 'Modi factor' would help propel crude stainless steel production to 3.96 million tonnes in 2015 for a year-on-year increase of 13.1%. On the downside, Moll projected lower production totals this year for Brazil (-5.2%), Japan (-2.8%) and Taiwan (-9.9%). Staying with forecasts for the current year, Moll noted projections of another nickel surplus. However, he also anticipated a floor level of US\$ 13 000 per

tonne for the metal given that 'the support line is holding' and that this line was likely to rise over time in concert with, for example, increasing electricity prices in China. Taking all factors into account, he predicted that nickel prices would be higher in a year from now. Regarding stainless steel demand, Moll anticipated growth of 5% in Europe between 2014 and 2016 but stagnation in the North American Free Trade Agreement region over the same period. □

E-scrap: Glass fibre to impact recycling business

The make-up of e-scrap would remain broadly unaltered for the next 10 to 15 years - but would then undergo a technological revolution that would be of massive significance to recyclers, delegates to the BIR e-scrap committee meeting in Dubai were informed by guest speaker Klaus Hieronymi of global resource efficiency strategies at Hewlett-Packard. While plastics and glass fibre would become more widely used, there would be 'almost no copper cables' and 'no precious metals within processors', in effect, there would 'not

be the value you are used to today', he warned delegates.

Earlier at the meeting chaired by Thomas Papageorgiou of Greece-based Anamet Recycling Industry SA, Hieronymi had charted the decline of metals usage in computers over the last 15 years - from approximately 10-15 kg per unit in the year 2000 to an average of around 1.5 kg today. Over the same period, the gross value of the precious metals content had tumbled from more than US\$ 40 to around US\$ 10. In other reports, John Shegerian of Electronic Recyclers International, Inc.

described the proper management and recycling of cathode ray tubes (CRTs) as 'probably the biggest short-term challenge facing the US electronics recycling industry', while Dr Steve Wong of the China Scrap Plastics Association highlighted his government's crackdown on many smaller operators because they lacked appropriate environmental systems. Reporting on the Arab countries of the Middle East, Fares Al-Mutairi of Saudi Arabia's Al-Qaryan Group contended that many of them had very few or no proper recycling facilities focusing on

e-waste. A large proportion of material was 'exported to Asia and Europe for recycling by private organisations', he said, adding: 'There are business opportunities for developing facilities and technology transfer from developed nations in order to improve e-waste management in the region.'

