

## BIR CONVENTION: Climbing back up

A price slump notwithstanding, the global demand for steel and ferrous scrap is poised to remain healthy.

[Brian Taylor](#) May 26, 2015



Steelmakers and scrap dealers alike have been coping with lower pricing in 2015, but the falling value may not be signaling long-term trouble. That was the message from the keynote speaker at the Ferrous Division meeting at the 2015 [Bureau of International Recycling \(BIR\)](#) World Recycling Convention in Dubai, United Arab Emirates, in May.

“We’ve seen a rough start to this year,” said Ferrous Division President William Schmiedel of [Sims Metal Management](#) in the United States. Schmiedel’s opening comments led into market reports from around the world that touched on the common themes of falling scrap prices and leaner availability of scrap.

“Turkish prices fell from around \$320 per ton for heavy melting steel (HMS) in January to the \$230 level in a relatively short space of time,” said Tom Bird of [Mettalis Recycling Ltd.](#) in the United Kingdom. “It is always very difficult to legislate for this magnitude of reduction and, therefore, the impact on the [sector] was significant.”

Although prices in Europe have subsequently bounced back a little, “material arisings are still under pressure across EU regions, with yards still significantly down on optimum levels,” Bird said.

Reporting on the U.S. market, George Adams of [SA Recycling](#) said, “A common lament among scrap processors is a continued shortage of raw materials despite the advent of spring.” He added, “No matter who you talk to, there isn’t any scrap around. There’s just a huge shortage.”

Hisatoshi Kojo of Japan's [Metz Corp.](#) reported similar low scrap pricing in early 2015 in his nation, though some rebounding in pricing has occurred starting in April. "The price rebounded as loading advanced for remaining export contracts while [scrap] generation by manufacturers and wholesale dealers declined," Kojo said.

Guest speaker Edwin Basson, director general of the [World Steel Association \(WorldSteel\)](#), Brussels, said the world's increasing urbanization is a "major megatrend driver" for the steel industry. The higher a nation's rate of urbanization, said Basson, "you'll find per-person steel use grows."

China's rapid urbanization has tied into its rise as the world's largest steelmaker, with mills in China now producing more than half of the world's steel.

A Worldsteel forecast sees Asia's per-person steel use rising from 264 kilograms (582 pounds) annually in 2020 to 303 kilograms (867 pounds) by 2040. It would be one major factor why Worldsteel sees global production growing from 1.53 billion metric tons (1.68 short tons) in 2014 to more than 2.1 billion metric tons (2.31 short tons) in 2040.

Guest speaker Ismail Al-Sulby of Saudi Arabia's [SABIC](#) said the steel industry is growing in his nation, with three new steel production facilities (include one operated by SABIC) coming online in 2015.

He characterized ferrous scrap supplies as tight in Saudi Arabia, saying that is why the nation passed ferrous scrap export restrictions in 2008. In addition to larger steelmakers such as SABIC, Al-Sulby said many "small producers" who operate induction furnaces also produce iron and steel in the kingdom.

BIR Ferrous Statistics Advisor Rolf Willeke also introduced the newest edition of the "World Steel Recycling in Figures" booklet. The sixth edition of the booklet includes additional figures on how electric arc furnace (EAF) and basic oxygen furnace (BOF) steelmakers in several nations are utilizing scrap.

The 2015 BIR World Recycling Convention was May 17-20 at the InterContinental Festival City in Dubai.