

Where promise and problems collide

Plastics

With recycling rates of only 25% in Europe and 12% in the USA, BIR plastics committee chairman Surendra Borad Patawari remains insistent that this represents 'a very promising business'. But as revealed at the latest meeting of the committee in Dubai, there is no shortage of obstacles to progress.

The 'big changes' envisaged in India's trading patterns and import policies following last year's election of avowed pro-business president Narendra Modi had failed to materialise, lamented BIR plastics committee chairman Surendra Borad Patawari of Gemini Corporation NV at the latest meeting in Dubai.

No new plastics scrap import licences had been issued and so this trade remained restricted to only some 30 companies in India. To add to the uncertainty, these firms had been

advised to fulfil certain export obligations - a matter that had now reached the courts. And potentially worse was to come, with Borad alluding to a rumour that the Indian government was considering further restrictions on plastics scrap imports. 'The market is dull and I expect it to remain dull for the foreseeable future,' he said.

The same speaker also concluded that no correlation existed between plastics scrap and oil prices, pointing by way of explanation to the relative immaturity and low volumes of the scrap market as well as to the influence of regulations and quality.

Higher costs of processing

For his home market, BIR plastics committee member Dr Steve Wong of the China Scrap Plastics Association identified slower exports and higher costs

of processing domestically. And according to a European market report submitted by Pawan Birla, also of Gemini Corporation NV, converter resistance could lead shortly to an easing of prime plastic values from their currently elevated levels; however, he also believed that plastics scrap prices could be sustained owing to lower availability.

In the first of two guest presentations, Katharina Goeschl - until recently general manager of Emirates Environmental Technology LLC in the UAE - focused on the challenges and opportunities relating

to plastics recycling in Gulf Cooperation Council (GCC) countries. In terms of post-consumer, she identified as key issues a lack of material availability, low recovery rates and, for the present at least, a

low number of material recycling facilities. Post-industry raw material was also subject to low availability despite high levels of demand and prices that exceeded those paid internationally.

'Important challenge'

An update on the Middle East's 'nascent' plastics recycling industry was supplied by fellow guest speaker Mahmoud Al Sharif Jr, purchase officer at Sharif Metals Int'l LLC. He estimated that the UAE recycled some 40 000 to 50 000 tonnes per year of plastics scrap while the figure for Saudi Arabia was nearer 100 000 tonnes. Large volumes of scrap continued to be shipped to China for recycling, he added.

The GCC's annual per-capita plastics consumption was well above average at 33 kg per person. Therefore, the speaker stressed, plastics waste constituted 'an important environmental challenge' for the region. □



Surendra Borad: the market remains dull.

Tyre recycling growing, but still 'a tough business'

North America was home to a 'very successful' scrap tyre recycling programme but it continued to be 'a tough business', insisted Jeff Kendall of leading US exponent Liberty Tire Recycling during the BIR tyres & rubber committee meeting in Dubai. Many entrepreneurs had failed, he explained, owing to problems with securing a steady flow of scrap tyres for shredding, to the heavy impact on equipment of processing tyres, and to relatively vulnerable end markets. Sales of used tyres into cement kilns for energy recovery were susceptible to fluctuating demand, the ground

rubber market was 'limited' and tyre-derived aggregate was 'not a high-price use', thereby making a tip fee important to overall viability.

But at the meeting chaired by Ruud Burlet of Rubber Resources in the Netherlands, Harsh Gandhi of India-based GRP Ltd argued: 'If recycling is to move forward, it has to stand on its own feet without support and without subsidy.' He also noted that, between 2001 and 2014, reclaim as a share of global rubber consumption jumped from 2.1% to 5.4%, with China and India recording, respectively, 11.3% and 8.2% last year.

Figures presented by Jacinto Alcazar Padilla of Ecija Rubber Solutions revealed that Brazil had achieved almost 92% of its goal in recycling 521 000 tonnes of used tyres in 2013. Almost 70% of collected tyres had

been directed into cement kilns for energy recovery while approaching 12% had become granulate for artificial grass and 10.6% had gone into the manufacture of rubber goods, he noted in Dubai.



Ruud Burlet.



Jacinto Alcazar Padilla.



Jeff Kendall.