

## Expert reports on non-ferrous metals

(WW) – Concerns about the US national debt and the downgrading of the country's credit rating led to panic in Asian markets. China's export-oriented industries, major consumers of non-ferrous metals, are impacted by the weaker US dollar, reports David Chiao from the company Uni-All Group Ltd. in the current issue of the "World Mirror Non-Ferrous Metals" published by the international recycling industry association BIR (Bureau of International Recycling).

Mr Chiao expects China's economic growth to slow down in the near future. He bases this view on the slump in exports persisting since the year 2008, potentially slower infrastructure development in the next few years triggered by the high-speed train crash in eastern China in July, and the potential impact of inflation, which is particularly strong in the real estate sector, on domestic consumption in China.

New customs officials were introduced in Southern China, according to Mr Chiao, which means that the region is "no longer as flexible as it was". All inbound shipments have to be unloaded at certified plants and multiple-item containers are not permitted to file a customs declaration. These policies are leading to higher handling costs, Mr Chiao reports.

In the Middle East, business was slow in August due to the month of Ramadan and the summer ho-

liday season. Scrap yards' collection volumes in the region were about 30 per cent lower than average monthly rates, according to Fadi Shahrour from the Lebanese company Sharmetal Trading. Scrap collectors reacted more rapidly to the sudden drop in LME prices than in 2008, holding off purchases and focusing on shipping outstanding orders and collection of payments instead. "In this situation, the best option is to slow activity levels and to adopt a wait-and-see policy," Mr Shahrour comments.

In India, the increase in interest rates effected as an attempt to control inflation is expected to impact growth in consumption. July statistics on vehicle and house sales already signalled "challenging times ahead", reports Dhawal Shah from the company Metco Marketing (India) Pvt. Ltd. He characterised business in the non-ferrous scrap sector as "rather lacklustre" over the last four weeks. Imports had taken a backseat due to market volatility, summer holidays in Europe and Ramadan. Purchasing activity was "selective and conservative". Demand for copper scrap seemed well balanced, with equal contributions from domestic and imported supplies, Mr Shah reported. "Conditions may not change spectacularly over the coming days, but traditionally, Indian business does improve during October and November," according to Mr Shah. □