

# Governmental trade barriers are biggest threat to scrap industry - interview

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Monte Carlo, 03 June 2008 - The imposition of trade barriers by governments represents the biggest threat to the scrap industry, whose value continues to be undermined despite its vital contribution to global commodity supply, Robert Stein, president of the BIR non-ferrous metals division said in an interview.

"Governments, nearby and remote, create illogical regulations which affect our mode of business, often without any knowledge of what we do and how we do it," he said at a Bureau of International Recycling (BIR) convention in w:st="on"Monaco.

"We can react to price changes, we know how to protect ourselves against market volatility by physical sales or by hedging. But these things that are beyond our control pose the biggest threat," he added.

"If copper drops by \$1,000 or aluminium loses \$200, it's bad but it happens. But when governments impose export restrictions or any other barrier to international trade, we have no choice," Stein said.

He said governmental regulations across the globe largely determine the prices at which the industry can sell its scrap, and with them, the margins scrap producers will be able to make.

"Most governments still refer to and treat our material as waste, which implies a lack of value or no value at all, when they should be regarded as essential commodities. We are providing something that is ecologically friendly and economically friendly -- the CO2 emission savings by using scrap metal are huge," Stein said.

For decades now, legislators have regarded recyclables as "waste" rather than valuable secondary raw materials for which consuming countries are prepared to pay a market price. This spurred a lot of criticism within the scrap industry, which argues the "waste" label obstructs the international trade of this indispensable commodity.

Both primary and secondary raw materials are now essential to cope with industrial demand and to secure supplies of commodities for global production of goods.

"We're not perfect but we have got a lot better over the decades to make sure the facilities we operate are clean, safe and environmentally sound," Stein said.

"The change in attitude towards the scrap industry is going to come from growing environmental concerns -- it is raising our profile," he added.

Stein is also the vice-president, non-ferrous, of Alter Trading Corp., one of the largest scrap processing companies in the United States, handling 200,000/300,000 tonnes of ferrous and 15,000/25,000 tonnes of non-ferrous material each month.

Industry specialists are gathered in w:st="on"Monaco this week for the Spring Convention of the BIR, attended by 1,200 delegates.