



Illegal shipments draw response from China

Shipments of recovered paper to China were about to be complicated by the introduction of a registration scheme for overseas 'supply enterprises', delegates to the BIR Paper Division meeting in Berlin were informed. At the same time, the country remained a major driver of world consumption, it was emphasised.

By Ian Martin

The highly-publicised illegal traffic of household waste now appeared to have been halted - but at a price, the BIR Paper Division was told in Berlin by Maarten Kleiweg de Zwaan of The Netherlands.

According to the President of the European Recovered Paper Association (ERPA), some European merchants had been buying co-mingled paper from the U.K. and the Republic of Ireland and shipping it as recovered paper to India and the Far East. Noting that some companies had been forced to ship the material back to the countries from which it had come, he stated: 'A result of these illegal activities has been that licences will be needed to ship recovered paper to China.'

Mr Kleiweg de Zwaan also reported that final drafts of recovered paper quality control guidelines had recently been approved by ERPA and the Confederation of European Paper Industries (CEPI). The confederation had also come up with two additional sets of guidelines covering the control of moisture content and of unusable material content in recovered paper but ERPA had declined to put its name to these, the speaker added.

Responsible sourcing

Mr Kleiweg de Zwaan also highlighted another draft guideline document from CEPI relating to responsible sourcing of recovered paper; this covered a host of issues including collection, sorting, transportation, management systems and qualified suppliers. 'The ERPA board has

decided that the above issues are matters which should not be regulated by the mills/CEPI but by our industry,' he said. Noting that ERPA would come up with its own guidelines by October, he insisted: 'We, as the recovered paper industry, should keep the initiative and not be told by the mills how to run our business.'

Unsurprisingly, China once again emerged as a dominant theme at the Paper Division meeting, not least because of the announcement of a new registration system to be introduced by the country's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) for overseas suppliers of recyclables. BIR's Director General Francis Veys said attempts were being made to convince the Chinese authorities to postpone the registration deadline of July 1 2004, although he urged members to lodge their applications as soon as possible.

The increase in China's recovered paper imports was likely to prove sustainable based on the fundamentals of consumption and demographics, according to Paper Division President Dominique Maguin of France. The country had been maintaining an overall growth rate of around 8% for some 20 years and had provided the engine for global commodity consumption growth. However, he expressed concern that the price of recovered fibre 'has not followed other raw material trends' and that recyclers were 'not entirely at ease with the value of these materials'.

'Difficult' conditions

According to divisional Vice-President Ranjit Baxi of J&H Sales International Ltd, China was responsible for importing more than 7 million tonnes of recovered fibre each year although its failure to continue with its strong buying patterns following the Chinese New Year holidays was one reason behind the 'difficult' trading conditions endured



Maarten Kleiweg de Zwaan of The Netherlands, President of the European Recovered Paper Association (ERPA) and Merja Helander of Finland.



BIR Paper Division President Dominique Maguin of France.

since the previous BIR convention in Vienna. Other dampening factors had included fluctuations in the U.S. dollar and Euro exchange rate, increases in sea freight rates, and 'sizeable' exports by Japan 'to meet some of the Asian demand'.

Mr Baxi concluded: 'We all need to work continually towards understanding the changing needs of the Asian market and provide our full support.'

Reporting on the U.S. market, Michael Moulton of Koch Pulp and Paper Trading LLC said that conditions were 'fairly stable' but that a resumption of stronger Asian buying could result in demand outstripping supply and in price volatility 'to the upside'. U.S. mills were 'running pretty hard' with capacity utilisations of around 94 to 96%.

According to guest speaker Hubert Neuhaus of SITA Böhm GmbH, German consumption of recovered paper was on course to move ahead of collection in 2006. Collection had been 'stagnating' at between 13 and 14 million tonnes for a number of years and was expected to remain within this band at least until 2010. 'It is not possible to collect more material in Germany,' he maintained. □