

India Withdraws Scrap Metal Import Rules

India has withdrawn new rules for scrap imports after realizing the impracticality of the new rules, Ikbal Nathani of Indian trading firm Nathani Group said at the BIR conference, according to a report by Reuters.

The regulations said imports of unshredded scrap were only permitted from suppliers who had been registered by the government of India via the Director General of Foreign Trade.

But the rules were scrapped late last month, Nathani said.

"The DGFT and the customs took a bold and courageous decision to scrap the regulation altogether. This means you can freely export scrap to India."

The regulations were introduced to safeguard workers dealing with metal recycling in India, underlining that the country would not accept second-rate material.

Indian imports of metal scrap are worth over \$1 billion per year.

Scrap consumers in India have been hit with a number of problem shipments over the past year, with ordnance appearing in some shipments.

According to a published report, the process put in place to remedy the problem of dangerous material was not only difficult to implement by the government, it also confused exporters, Nathani said.

"Many of the companies found it very difficult to provide all the financial data, and they didn't want to share it," he said.

The government extended the deadline for approval three times as they had found it difficult to interpret the information given by the exporters.

"The cure was worse than the disease," Nathani said.

The BIR earlier had said that the Indian rules were too murky and that the policy would change. In its statement, the BIR noted that "It is clear however that those new rules for exports to India are 'not right', for example India spent much effort, and rightly so, to ensure the UN-EP Basel Convention recognized B1115 waste metal cables coated or insulated with plastics..." as non-hazardous wastes and so easily available for material recycling and therefore not subject to the Basel Convention control system. That India would now have requested the Commission these be subject to the costly, time consuming and hindering control system when exported from the EU-27 is not credible."

Continuing, the BIR added, that using 'implicit consent' to control the EU-27 export trade in recyclables to non-OECD Decision Countries is not working well, despite all the efforts of those in the Commission DG Trade, from Trade Federations such as BIR, from certain Member States, and from the non-OECD Countries themselves trying to get it to work. The question-and-answer system about so many different recyclables is so complex it is bound to cause communication and / or interpretation accidents and so leads to trade disruption.

The likely new rules can be found on the Commission website with a disclaimer indicating they may still change, at http://trade.ec.europa.eu/doclib/docs/2007/october/tradoc_136433.pdf

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