

insight into the Asian market

A fascinating insight into the Asian market formed the centrepiece of the Plastics Round-Table meeting in Dublin.

Speaking through an interpreter, Tsim Tak-Yuen of Pacific Rise Development Ltd in Hong Kong explained that China's plastic scrap imports were split relatively evenly between the USA, Europe and Asia, and that no new restrictions or procedures had been imposed on this material entering the country. Scrap plastics had to pass a CCIC inspection and conform to existing rules laid down by the Chinese government.

As for market conditions in China, Tsim Tak-Yuen described the recent fall in some plastics scrap prices as 'part of a regular cycle', insisting that 'we look at this recession period as a healthy and logical period of readjustment.' Taking polyethylene and polypropylene as an example, he said price falls had been dramatic since the beginning of the third quarter but were necessary because prices had earlier reached 'an unreasonably high level' compared to prime materials.

Round-Table Chairman Peter Daalder of The Netherlands pointed to major differences between the Asian and European markets. Western Europe's recyclers were 'afraid' that they would be unable to obtain sufficient supplies and that they were 'still paying too much for bad qualities'. However, he believed there was sufficient material available, adding that as much as 30,000 tonnes of unprocessed PET bottles could be lying in storage in Western Europe.

Mr Daalder believed the price of regranulates would drop in the near future because of the unsustainable situation whereby better-quality 'off-spec' virgin material was being offered at similar prices. The price fall for regranulate material could be as much as 100 Euro within a month, he ventured.

The Round-Table Chairman said prices for plastics scrap in Western Europe were generally either stable or falling. For example, polyethylene prices had fallen recently by around 20 Euro per tonne while a similar reduction was anticipated from November for polystyrene ground products. Technical plastics such as ABS, PC and PMMA were experiencing good demand but prices on the Asian market had slumped by as much as 200 Euro per tonne, he added.

Jacques Musa of France-based Soulier said his home market had slowed slightly over recent times although prices for first-choice materials - such as high and low-density polyethylene, as well as mono- and co-polymer polypropylene - remained 'good' at around 8% down on July 2001. For secondary plastics, prices in France remained firm and demand had been 'sustained'.

According to Mr Musa, Italy had experienced a sharp drop in production since the terrorist attacks of September 11. Price changes had been announced for plastics even though demand had not been totally satisfied in some areas, particularly secondary materials. Companies in Spain were expecting a downturn, reported Mr Musa, despite a reduction in secondary material offered on the market.

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