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Malaysia plans to become scrap metal recycling hub

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Malaysia plans to be the regional hub for non-ferrous metal scrap recycling in southeast Asia, one of the country's leading processors said at the Bureau of International Recycling (BIR) conference in Singapore last week.

In order to promote Malaysia as a regional scrap hub, the industry is setting up its first ever non-ferrous metals association, SDM Specialty Chemicals (SDM) chief executive Eric Tan said on 20 May.

SDM operates 15 processing centres for copper and aluminium recycling in Kedah, less than 50km from Penang port in northwest Malaysia.

This move to develop Malaysia as a regional recycling hub materialised after plastic and metal scrap shipments to China were diverted to the country after failing China's increasingly severe tests on impurities.

China imposed a 1pc impurity threshold on all non-ferrous scrap imports in January 2018, which meant that all scrap cargoes arriving in China were subjected to stringent checks at the ports.

Rejected cargoes containing both hazardous and non-hazardous waste, including plastic, oiled and grease-filled cables and ferrous and non-ferrous scrap, were delivered to Malaysia instead.

The influx of plastic waste in Malaysia led to the establishment of a number of illegal plastic recycling facilities, which polluted the local environment and caused a backlash across the country.

As a result, "Malaysia has a bad perception of the recycling industry" and that "all recyclers are polluting the environment", Tan said.

"Illegal recycling has generated negative public perception, and legitimate recycling is suffering today," he said.

The influx of scrap material also led to some confusion regarding the classification of metal scrap. The Malaysian government declared cable and wire scrap as "scheduled waste" or hazardous and consequently ruled that importation of this category will incur a heavy penalty.

But not all cable and wire scrap grades are hazardous and household cables are one of the clean sources of copper scrap.

Tan hopes the newly created Malaysia non-ferrous metal association will be a "communication bridge between industrial players and government authorities".

Following China's crackdown on scrap imports, a number of investors have started to set up recycling facilities in southeast Asian countries including Thailand, Malaysia, Vietnam and the Philippines. These newly set-up yards will process the

nonferrous scrap to filter out the impurities in order to meet the stricter import scrap criteria to China.

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