

Metal Bulletin

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BIR: Asia is where 'music is going to play'

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"[Asia] is where the music is going is going to play," Rolf Willeke, statistics advisor of BIR's ferrous division, told reporters in a press conference in Singapore.

Turkey, South Korea, China, India and Taiwan were the top five importers, with EU and US the only non-Asian areas at sixth and seventh places respectively, said BIR, which only started compiling the numbers last year.

"The Chinese effect was surprising," said Willeke, referring to the volatility of Chinese import numbers.

China's import volumes plunged 57.3% in 2010 to 5.848 million tonnes, after swinging wildly upwards to 13.692 million tonnes in 2009 from 3.590 million tonnes in 2008.

"They are opportunistic buyers. If prices go up, they switch with iron ore. Only if prices go down, as they did in 2009, will they buy but [...] in the next five years, they will be forced to use more scrap," said Willeke, referring to China's latest five-year plan which introduced stricter emissions targets.

For now, however, Chinese demand for ferrous scrap remains flexible as "the percentage of EAFs in China is only about 9% compared to, for example, about 80% in Turkey", said Christian Rubach, president of BIR's ferrous division.

Turkey imported 19.194 million tonnes of ferrous scrap last year, up 22.5% from 2009, according to BIR, whose numbers are all compiled from official trade data.

Russia, which currently exports most of its ferrous scrap to Turkey, is poised to go from the fifth largest exporter in the world to a net importer, as it moves to increase its export duties and close its biggest ports.

The decision to close its major ports on April 1 was postponed after energetic lobbying within and without Russia but the government's stance is clear.

"There are a low of rumours and we cannot be sure until the official statement," said Ukrmet's Audrey Moiseenko, BIR's representative for Russia and Ukraine.

"But we hope to have good news for you by the end of the conference," he said.

As it happens, Russia exported most of its ferrous scrap to Turkey last year, at 1.07 million tonnes out of a total of 2.39 million tonnes, according to BIR.

"Russia I think will disappear as a net exporter and then, you think to yourself, what will happen to Turkey" said Willeke.

"They will continue to invest in their arc furnaces but their recycling industry is not all modern," he noted, adding emerging Russian demand would add a whole new dynamic to the scrap market.

The world used 530 million tonnes of ferrous scrap in 2010, up 15.2% from the previous year, according to BIR.

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