

Non-ferrous scrap trade flows are changing

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London, 15 June (Argus) — A significant proportion of non-ferrous scrap that is usually exported to China is now being redirected to countries such as Malaysia, Vietnam and India, the director general of Grupo Otua and president of Spanish recycling association FER, Ion Olaeta, said during a panel discussion at the Bureau of International Recycling (BIR) conference in Barcelona.

The problem in the non-ferrous scrap industry at the moment is uncertainty because trade flows are changing, Olaeta said. "Today we have many questions but very few answers," he said.

This is confirmed by [Chinese imports of copper waste and scrap that declined by 39pc](#) year on year in the first quarter to around 552,700t, Chinese customs data show.

During the panel discussion moderated by Alejandro Jaramillo of Glorem SC in Mexico, BIR non-ferrous metals division president David Chiao of the Uni-All Group said that 2018 was proving to be "a very challenging year" for the scrap industry.

Some of the biggest challenges surrounded the US-China trade dispute and the tougher environment for scrap shipments to China, Chiao said.

Some China-bound US copper scrap material was redirected to Europe after China [suspended US operations of the China Certification and Inspection Group \(CCIC\) for 30 days](#) on 4 May, preventing US exporters from securing the necessary documentation to ship scrap to China.

China's one-month suspension halted US exports to China, disrupted flows of aluminium and copper scrap and caused uncertainty for US shipments already on the water, sending exporters scrambling for alternative destinations for material.

Some market participants estimated that a third or more of the volume that would have normally been exported to China during the month was stranded in US dealer yards.

China in November last year announced [impurity thresholds](#) of 0.5pc and 1pc for imports of ferrous and non-ferrous scrap, respectively, in an official notification to the World Trade Organisation (WTO).

During the panel, Michael Lion of China-based Everwell Resources, and chairman of BIR's International Trade Council, said that regulatory issues in China were "not going to go away" and that China was looking to develop its domestic recycling industry more rapidly.

The BIR Non-Ferrous Metals Division's senior vice-president Dhawal Shah of Metco Marketing in India reported that the Indian government had exempted the US, EU, Canada, New Zealand and Australia from pre-shipment inspection certificate requirements for scrap imports.

This was because the Indian government is pushing to make business easier and "should bring down costs", Shah said.

Vice-president Andy Wahl of US firm TAV Holdings said that in exporting countries "equipment sellers are very positive at the moment" as scrap shipping is becoming more difficult and has triggered recycling investments.