

BIR CONVENTION - Pearls of wisdom from Shanghai

By FastMarkets Ltd

Shanghai 28/05/2013 - The Bureau of International Recycling (BIR) is holding its spring convention here in Shanghai, China's business hub, with around 950 delegates from the global metals, plastics, paper and tyres recycling sectors present.

The biannual meeting takes place at a time of challenging circumstances for recyclers, who are often at the cutting edge of the economic business cycle.

The FastMarkets team is here as well, and below are some of the thoughts gathered from various meetings, events and mini-groups during tea-breaks.

THE BACKDROP AND THE CURRENT STATE OF PLAY

"Shanghai - an intriguing city where the future meets the past" - Bjorn Grufman, BIR president

"The days are gone when we could purchase at a high level, knowing that the market was rising and then sell a few days later at a much higher level. The days of gambling are gone. Let's get back to basics" - Frank Wackerle of Cronimet

"Like 2012, 2013 is proving to be a difficult year. A great deal will depend on steel demand moving forward, but the reality is that the remainder of 2013 poses to be a challenge" - Tony Bird, Bird Group

"The smart money has moved into equities and currency, leaving the metals business to the basic law of supply/demand, with both sides of this equation being quite low at present" - Mark Sellier of OneSteel

"Six months ago in Barcelona (BIR), we thought things would be better a year down the road. At the start of this year we thought much the same. Now, I'm not so sure, and you can tell by the numbers here this week - they are down" - an Asia-based recycler

"Whether you are trading copper cathode or scrap, it is a tough time to generate business. It is good to get price movement but it's the uncertainty that makes it difficult" - European scrap trader

"Manufacturing is down, major demolition projects are down and scrap inventories, once sold, are not quickly or easily replaced" - Barry Hunter of Hunter Alloys

"Here is the good news - scrap is gold. The price of steel scrap is surprisingly high by historical standards" - Peter Marcus of World Steel Dynamics

FREE TRADE CHALLENGES

"Scrap metal, given its tremendous value to the ecological well-being of the world, should never be taxed, nor should its export be controlled by industry pressure on governments." - Robert Stein, president of the BIR's non-ferrous metals division

"Government and administrative policies have a huge impact on our businesses, and are something we must be constantly monitoring" - Paul Coyte of Hayes Metals

"With Russia now a member of the WTO, export duties, currently standing at 15-percent, will be reduced year-on-year by five percent a year starting in 2013" - Ian Hetherington, BMRA

"It is surprising that the Indian government has done this [introduce a 2.5-percent import duty]. These regressive steps seem to benefit only a small number of manufacturers in India that are heavily reliant on virgin resources" Zain Nathani of Nathani Group

CHINA

"China accounts for 40 percent of the world's consumption, but 70 percent of that copper needs to be imported. We need to recover more - it is a case otherwise of resources being wasted" - Guo Xun Min, executive vice-president of Chinese producer Dongying Fangyuan

"NPI production costs are rising. In China power costs more and the yuan is appreciating all the time" - industry specialist Markus Moll of SMR Research

"With the LME [nickel price at lower levels, some Chinese producers may cut back less cost-effective NPI production" - Hetherington
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