

## **BIR Convention: Changing trade flows for plastic scrap**

Plastics Committee speakers say the markets are characterized by declines and by opportunities.

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- RTGE Staff

Although volumes, prices and confidence are all down, [Bureau of International Recycling](#) (BIR) Plastics Committee Chairman Surendra Patawari Borad of Belgium-based [Gemini Corp. NV](#) described “some silver linings in the grey clouds” for plastics recyclers.

Addressing the committee’s latest meeting in Prague 26 Oct., held as part of the BIR’s World Recycling Conference 25-27 Oct., Borad pointed to “huge” drops in sea freight rates and therefore “lots of opportunities for geographical arbitrage,” noting in particular the possibility of importing from the United States into Europe. He also asserted that “the quality of scrap has improved tremendously” in recent years, and that increasing awareness and pressure on producers to increase their usage of reprocessed and recycled materials were creating more demand and opportunities.

Specifically with regard to leading outlet China, Borad confirmed that its plastics scrap imports had “come down sharply,” with the total of 3.58 million metric tons for the first six months of 2015 compared with 8.45 million metric tons for 2014 as a whole. “We expect the downward import trend to continue,” he added.

In reviewing the Chinese market in more detail, Steve Wong of Hong Kong’s Fukutomi Co. Ltd. said plastic scrap prices had dropped by more than half in some instances, with even some negative prices in evidence. But on a brighter note, the executive president of the China Scrap Plastics Association added that “lots of opportunities” would await those companies surviving the current crisis, especially those prepared to embrace greater automation and innovation in their operations.

U.S. exports of plastic scrap/waste to China had plummeted 42 percent year on year in August, with the decline for polyethylene terephthalate (PET) reaching 55 percent, according to Borad. The outlook for U.S. overseas shipments “does not look very promising” whereas the domestic market was offering regular and decent demand for scrap. Plastic scrap conditions had been “relatively stable” in India, he added, though the PET market had declined “substantially” of late and was expected to remain “subdued” for the rest of the year.

In the report on the French market submitted by Marc-Antoine Belthé of Veolia Propreté, dramatic recent price falls were noted for many forms of plastic scrap—including a drop of €80 (about \$86) per metric ton between September and October for washed PET bales. Customers were generally adopting a “wait-and-see” approach and postponing orders, he added.

PET was also the focus of the guest presentation from Li Shen, assistant professor at Utrecht University's Copernicus Institute of Sustainable Development in the Netherlands. Based on a scientific comparison of systems with and without recycling, she concluded, "Mechanical recycling, semi-mechanical recycling and chemical recycling all showed benefits compared to the virgin system. All approaches show that recycled (PET) fiber has a really substantial environmental benefit in terms of primary energy demand and carbon footprinting and provides a lot of savings." The results of her research had been shared with the European Commission, she pointed out.

Fellow guest speaker Manuel Burnand, director of environment and development at Derichebourg in France and the new chairman of the BIR Shredder Committee, turned the spotlight on to plastics in automobile shredder residue (ASR). Sorting of these plastics remained "difficult" but "technically possible" with high levels of investment in advanced post-shredder treatment plants. Although he expected the volumes of plastic sorted from ASR to increase in the future, he suggested these may be limited to some "easily sortable" grades unless new technologies came on to the market.