

NF sector faced with "diminishing margins, rising costs and low confidence"

Non-Ferrous Metals Division, BIR World Recycling Convention, Prague (26 - 27 October 2015)

2015 has been "a very tough year" in which the "bad economic climate" has led to adverse effects on companies' budgets and employment plans. So said the BIR Non-Ferrous Metals Division's President David Chiao of the Uni-All Group in the USA at the body's meeting in Prague on October 26.

These sentiments were echoed in the world market summary provided by divisional board member Nick Rose of UK-based Tandem Metallurgical Group. "It was never going to be the year of plenty but the most pessimistic of bears couldn't have foreseen the constant downward spiral of 2015," he lamented. "Today's non-ferrous industry faces diminishing margins, rising costs and low confidence - and it will not be long until the banks become nervous."

LME prices had fallen

Since January, he noted, LME prices had fallen by 14-15% for copper, 12% for aluminium and 9% for lead, but even these declines had been eclipsed by the 23% and 35% slumps seen in, respectively, zinc and nickel. Among the contributory factors, Mr Rose listed slowing economic growth

in China and the devaluing of the Chinese currency, which had "undermined traders' confidence". And even though India had fared better than most this year, the non-ferrous industry had been adversely affected by "teething problems" surrounding the country's new pre-shipment inspection procedures. Market conditions in Europe, meanwhile, were "pretty bleak", with traders complaining of "low volumes and sales hard to come by".

The meeting in Prague also brought a standing ovation for two of BIR's non-ferrous mainstays on the occasion of their retirement from BIR activities, namely Immediate Past President Robert Stein of the USA and Robert Voss CBE of the UK, formerly Non-Ferrous Metals Division board member and International Trade Council Chairman. Mr Stein acknowledged that business conditions were "painful and ugly" at present, partly

because of the excessive capacity expansion of past years that had been based on strong demand from China. While many businesses would "vanish", those with foresight "will lead our industry into a period of acceptable growth". Mr Voss - a veteran of more than 70 BIR World Conventions - identified the communications revolution as the biggest change to affect the non-ferrous industry that he had joined more than 40 years earlier.

"Crucial for our business"

Guest presentations in Prague focused on Eastern European recycling markets, specifically as they relate to zinc and lead. Marek Orlicz, Commercial Director of Polish secondary zinc and zinc die casting alloys producer MetalCo, spoke of a trend towards increasing volumes of zinc scrap being brought into Poland so as to service domestic operators' burgeoning order files for secondary zinc and zinc alloys. In addition to Europe and most notably Germany, material was being sourced from the Americas, the Middle East and North Africa.

Marek Zelazny, Commercial Director of Baterpol S.A., which is one of the biggest lead producers in Poland with a core business of recycling lead-acid batteries, agreed with his fellow guest speaker that sourcing raw material was his pre-eminent concern. "25% of my activity is in sales and 75% is in looking for raw material," he said. "It is crucial for our business."

According to Mr Orlicz, sharp fluctuations in LME zinc had created a "frozen" market as those holding stocks awaited more attractive prices.

„Wir brauchen Chancengleichheit“ – EID fordern ambitioniertes Abkommen

„Wir haben uns beim Klimaschutz seit 1990 stark engagiert. Seither haben die energieintensiven Branchen Baustoffe, Chemie, Glas, Nichteisenmetalle, Papier und Stahl ihren Ausstoß von Treibhausgasen um mehr als 30 Prozent reduziert. Wir brauchen aber auch Chancengleichheit für die europäische Industrie.“ Mit diesen Worten warb EID-Sprecher Utz Tillmann vor dem anstehenden Weltklimagipfel in Paris für ein ambitioniertes Klimaschutzabkommen.

Die energieintensiven Branchen in Europa erfüllen ihre ehrgeizigen Reduktionsziele. Gleichzeitig mache die Politik der Industrie in vielen Weltregionen kaum Auflagen in punkto Klimaschutz. Dadurch komme es zu ungleichen Wettbewerbsbedingungen. Laut Tillmann werden die Verhandlungen von Paris wohl ein neues Klimaschutzabkommen bringen. Es zeichne sich aber ab, dass die Zusagen der internationalen Staatengemeinschaft für eine CO₂-Minderung nicht ausreichen, um das 2-Grad-Ziel ein-

zulösen. Tillmann, auch Hauptgeschäftsführer des Verbandes der Chemischen Industrie, nannte drei Voraussetzungen, damit ein Abkommen von Paris aus Industriesicht den richtigen Rahmen setzt: Alle entscheidenden Emittenten müssten sich zu vergleichbaren Minderungsbeiträgen verpflichten. Auch müssten alle Nationen einheitliche Berichtstandards für Treibhausgasemissionen einführen. Und schließlich habe ein Abkommen auch internationale Marktmechanismen anzustreben.