



From left: Tarek Al Sharif of Sharif Metals, Dominique Maguin of La Compagnie Des Matieres Premieres, Keith Trower of Viridor Resource Management, Jean-Luc Petithuguenin of Paprec Recycling, Sebastien Ricard of Paprec Recycling, Francisco Donoso of Alba Services Verdes and Ranjit Baxi of J&H Sales International

BIR 2019: Recovered fiber keeps flowing

Despite regulations and trade disputes, the world's paper and board mills continue to source recovered fiber globally.

[Brian Taylor](#)

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Recovered fiber prices have remained low in the wake of China's current and pending restrictions on scrap imports, but the secondary commodity remains in demand globally, according to panelists at the Paper Division meeting of the [Bureau of International Recycling \(BIR\)](#). The Brussels-based BIR held its 2019 World Recycling Convention in May in Singapore.

Restrictions on imported scrap materials have become "fashionable," remarked BIR Immediate Past President Ranjit Baxi of London-based [J&H Sales International](#), but he was in agreement with fellow panelists that there remain reasons to be optimistic about the paper recycling sector.

Dominique Maguin of Paris-based [La Compagnie des Mateieres Premieres](#) said the paper and board industry is still growing globally, with some of the new paper mill capacity being in Europe. Maguin said a few years ago Germany was a net exporter of as much as 5 million metric tons per year of scrap paper, but now the nation's mills need to import some 2 million tons of recovered fiber each year.

Jean-Luc Petithuguenin of France-based [Paprec Recycling](#) said new capacity in Germany, France and Italy is helping to absorb the scrap paper collected in Europe, while Maguin pointed to buyers in India, Malaysia, Indonesia and the Philippines, saying, “We have new possibilities.”

Keith Trower of United Kingdom-based [Viridor Resource Management](#) said the major short-term concern in the recovered fiber market is its low pricing, but otherwise, “The product will travel.”

Trower was among the Paper Division members who said China’s quality and volume restrictions “have forced us to up our game” to produce cleaner grades of recovered fiber.

Referring to the Chinese government’s demand that imported old corrugated containers (OCC) and other scrap paper shipments should contain 0.5 percent or less off-spec materials, Baxi commented, “0.5 percent is the norm today, but it seemed impossible two years ago.”

Petithuguenin said the regulatory climate in the European Union and beyond will continue to favor the collection and use of scrap materials, with Maguin adding that carbon emissions reductions in using scrap versus virgin materials will continue to benefit recyclers. “We have to share the story of recycling” in the global media, said Baxi.

Petithuguenin also pointed to growing scrutiny of plastic packaging and its comparatively lower recycling rate as providing a further boost to paperboard production. “Will we see more and more companies going for paper packaging?” he asked.

Baxi said he does not necessarily see OCC or scrap paper prices rising in the second half of 2019, with China’s import restrictions only tightening, and its import licensing picture unclear. This has created a situation where OCC is selling for \$350 per metric ton within China, but on the global market prices are closer to \$145 per metric ton.

Longer term, however, Baxi said the world’s growing paper packaging sector creates a “splendid opportunity” for recovered fiber. “Global demand will not go down,” he stated.

The 2019 BIR World Recycling Convention & Exhibition was held May 19-22 at the Shangri-La Hotel in Singapore.

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