

Russia/Ukraine hold

Ferrous scrap prices may have gone off the boil in recent months but BIR's divisional meeting in Oslo still produced a number of generally upbeat market reports. Not for the first time, however, discussions were dominated by China's huge appetite for scrap and by export duties in Russia and the Ukraine.

Ferrous scrap was unlikely to benefit from an emerging trend in Russia towards relaxation of restrictive import measures. Similarly in the Ukraine, the strength of the steelmaking lobby was expected to guarantee 'no major changes' to the country's ferrous scrap export duties for the time being.

Speaking in Oslo, BIR Ferrous Division Vice-President Denis Ilatovsky noted that price increases had attracted 'new scrap collectors' in Russia and that collection volumes in the first quarter of 2003 had been at their highest for eight years, although he made clear that a reduction in scrap prices or a deterioration of steel mill payment conditions could reverse this positive trend. Total Russian deliveries of steel scrap (including imports) rose 10% over the period to 3.565 million tonnes, while the domestic total jumped 15% to 2.42 million tonnes. Exports fell by 1% to 1.145 million tonnes.

Only limited success

Mr Ilatovsky acknowledged the removal of export restrictions applied to other industrial products. However, Russian steelmakers were arguing for a further increase in scrap export duties rather than the reduction favoured by the metal recycling industry. Alberto Canevali from the EU's DG Enterprise confirmed that discussions aimed at eliminating these duties had yielded 'only limited success' to date.

Mr Ilatovsky went on to suggest that recent 'huge profits' made by Russia's steel mills would probably

lead to further investments this year in foreign production capacity. Russian steelmakers had already acquired a 5% share in Corus as well as a stake in Danish and Italian steel operations.

The same speaker's statistics for the Ukraine indicated that exports slumped to 203 000 tonnes in the first quarter of this year - 71.4% down on the 710 000 tonnes recorded in the corresponding period of 2002. Total deliveries of steel scrap tumbled 31.9% to 1.317 million tonnes, with the domestic element declining 9.1% to 1.114 million tonnes.

Sun Jiansheng of the China Association of Metal Scrap Utilization (CAMU) explained that, having totalled 181.5 million tonnes in 2002 as a whole, his country's steel output increased by 18% in the first quarter of this year. Based on a growth estimate of 15% for 2003, the country's production increase for the year could total 27 million tonnes. 'As a result,' he told delegates in Oslo, 'there will be an additional 4.66 million tonnes of steel scrap needed for steelmaking, of which 10% will be used for electric arc furnace steelmaking, and 90% for LD steelmaking.'

No major increase in imports

Scrap purchased 'from society' in China increased



From left to right Ikbal Nathani of India, guest speaker Jarmo Tonteri of Swedish steelmaker Fundia AB, and Ferrous Division President Robert Philip of the U.S.



Gustave Vigeland's (1869-1943) sculpture park is home to the world's largest collection of statues sculptured by one person. On the 80 acre site, there are 192 sculptures, together depicting 650 figures, portraying the human experience from the mother's womb to the grave.

By Ian Martin



firm on scrap export duties

by almost 4 million tonnes last year to 22.84 million tonnes. 'It is estimated that the volume increase in 2003 will be 4.6 million tonnes - including 2 million tonnes from the steel product processing industry,' the speaker observed. This year's scrap import volumes were expected to be similar to those of 2002.

The CAMU spokesman went on to project that Chinese steel output would break through the 200 million tonnes barrier next year before rising to 264.48 million tonnes by 2010.

In noting an unchanged EU crude steel production total of 159 million tonnes for 2002, Anton Van Genuchten of Germany explained that EU enlargement would add 22 million tonnes next year and a further 7 million tonnes in 2007. Looking to current market conditions for scrap, he suggested the downward price trend of April and May was likely to continue into June owing to 'almost non-existent' demand from Turkey, the resumption of scrap supply from Eastern European seaports to Western European markets, and the reduction in orders from Asia, notably China.

Ferrous Board Division Vice-President Colin Iles brought brighter news from the U.K. where recent months had yielded a resumption of electric arc furnace production at Alphasteel in South Wales and of melting activities at Sheerness through new company Thamesteel. There was also an expectation of a return to melting at Cardiff under the new ownership of CELSA.

Cooler export demand

Ferrous Division President Robert Philip observed that, with regard to the U.S. market, there

had been 'some cooling off of export demand and retraction in prices on the export side'. A 'very sluggish' U.S. economy was having a negative effect on steel consumption, he added.

Mr Philip also delivered the Japanese market report prepared by Sadao Taya, who blamed a recent 'downward slide' in ferrous scrap prices on the impact of war in Iraq and on 'over-flooding' of his country's key export markets of China and South Korea. Encouragingly, he added that China's long-term 'thirst' for scrap appeared 'almost unquenchable'.

The meeting in Oslo broke new ground with the first-ever report from a representative of the Cuban scrap industry. The national recycling organisation's General Manager Miguel Macias Sainz confirmed that his members handled metals, paper, plastics, textiles and other recyclable materials in achieving total sales last year of US\$ 129 million.

Guest speaker at the Ferrous Division meeting in Oslo was Jarmo Tonteri of Swedish steelmaker Fundia AB, who explained that 'North Europe's leading manufacturer of long steel products' consumed some 1.4 million tonnes of scrap last year. He underlined the importance of 'reliable, local suppliers' of scrap and to raw material price stability, before adding that the Nordic region was becoming 'more and more dependent on imported scrap'. □



BIR Ferrous Division Vice-President Denis Ilatovsky.

Cost variations in car recycling

In the BIR Shredder Committee meeting, European Shredder Group Chairman Tony Bird of the U.K. explained that only six EU member states had implemented the End-of-Life Vehicle directive while 'less than a third' had introduced free-of-charge disposal for the car's final owner. Meanwhile, cost projections varied between Euro 10 and 60 for basic de-pollution of a vehicle and between Euro 75 and 170 for complete de-pollution.

The meeting also heard BIR's Environment & Technical Director Ross Bartley confirm the official publication in February this year of the Waste Electrical and Electronic Equipment (WEEE) directive following 'over three years of negotiation'. Under the directive, individual producers were responsible for financing the disposal of their own products while evidence would be required of a binding collection rate of 4 kg per inhabitant per annum by the end of 2006 at the latest, he explained.

European Shredder Group Chairman Tony Bird of the U.K.



The Chinese delegation, from left: Sun Jiansheng, Heping Qi and Bingjian Du of the China Association of Metal Scrap Utilization.