INDIA WITHDRAWS SCRAP METAL IMPORT RULES

In late September, India withdrew rules for scrap metal imports that went into effect in April after realizing their impracticality, Ikbal Nathani of Indian trading firm Nathani Group told attendees of the Bureau of International Recycling (BIR) Autumn Round-tables, held Oct. 22-23 in Warsaw, Poland.

The regulations stipulated that imports of unshredded scrap were only permitted from suppliers who had been registered by the government of India via the Director General of Foreign Trade (DGFT).

The regulations were introduced to safeguard metal recycling workers in India and underlined the country's refusal to accept second-rate material.

Scrap consumers in India have encountered a number of problem shipments throughout the past year, including the inclusion of ordnance in some shipments.

"The DGFT and customs took a bold and courageous decision to scrap the regulation altogether," Nathani said. "This means you can freely export scrap to India," he added.

India imports more than $1 billion in scrap metal per year.

SIMS REPORTS FOR QUARTER

Sims Group Ltd., based in Australia, has reported un-audited net profit of $57.3 million for the quarter ended Sept. 30, a 16 percent decline based on the figure reported for the previous year. Meanwhile, un-audited sales revenue increased by 7 percent from the prior corresponding quarter to $1.32 billion.

Jeremy Sutcliffe, Sims' chief executive, says, "As previously advised, while the global environment for metals prices remained strong throughout the quarter, margin was adversely affected by high bulk ocean freight rates, a weak U.S. dollar and intensive buy price competition in most markets."

Sutcliffe also notes that the company's sales volumes were below budget in light of shipping timing, adding, however, that they were in line with the prior corresponding quarter.

"Bulk ocean freight rates are at all-time highs, and the ability to adjust buying prices to reflect this has been impaired by the availability of cheap container rates in the same markets," Sutcliffe says. "This differential is likely to close over time, but, in the short term, the company is responding by shipping a significant amount of material in containers itself, using new rapid-loading equipment, and by increasing its push to secure material at source."

He also says that competition for raw material, driven by overcapacity, was intense for the quarter and is helping to fuel the company's industry consolidation strategy.

Sim' short-term strategy of maximizing container shipments will continue in the second quarter. Longer term, Sims says its consolidation strategy and its goal of securing more material at the source, coupled with technological improvements to enhance metallic recoveries, are the best means of maintaining and enhancing margin and returns to shareholders.

Looking forward, Sutcliffe expresses confidence that markets for scrap metal will remain firm.

ICAHN ENTERPRISES ACQUIRES PSC METALS

Icahn Enterprises L.P., New York City, has acquired all the issued and outstanding stock of Cleveland-based PSC Metals Inc. from Philip Services Corp. of Houston. The acquisition cost $335 million.

Icahn Enterprises is a diversified holding company that operates businesses in a wide range of industries, including investment management, real estate and home fashion.

PSC reported annual revenue of approximately $776 million and net income of approximately $45 million for the year ended Sept. 30.

Carl Icahn indirectly owns a 95.6 percent interest, and Icahn Enterprises indirectly owns the remaining 4.4 percent interest in Philip Services Corp.

The transaction was approved by a special committee of independent members of Icahn Enterprises' board of directors. The special committee was advised by its own legal counsel and independent financial adviser with respect to the transaction.

More information on Icahn Enterprises is available online at www.icahnenterprises.com.