

PRESS RELEASE

Launch of BIR World Commodity Survey:

“Intelligent recycling” to become ever more crucial

Munich, 25 October 2011

“We are definitely in the most volatile of all words,” declared Professor Philippe Chalmin of the Paris-Dauphine University in launching the follow-up to his survey of the world markets for recovered and recycled commodities.

Speaking in Munich at the latest Autumn Convention of the BIR world recycling organisation, Professor Chalmin argued that prices have fallen for many commodities in recent months but remain at “very, very high levels” in certain instances. He noted in particular the high values retained by the main LME metals.

Focusing also on the divergence in economic performance around the globe, Professor Chalmin underlined that OECD nations were experiencing relative stagnation whereas the economies of emerging countries were continuing to “ride high”, leading to overall growth which would entail increased investment in commodity production. And with resources limited in many instances, there would be “a need for more investment in recycling, in intelligent recycling”, he insisted.

He identified China as key to the development of markets for a significant number of recyclables, including recovered paper and non-ferrous scrap. However, he warned that, at some future point, a crisis would also befall China and that the commodity markets - both primary and secondary - would be first in feeling the effects.

In the new BIR-commissioned report entitled “World Markets for Recovered and Recycled Commodities 2011 - the End of the Waste Era”, Professor Chalmin highlights the growing volatility of markets. “Never have the prices for scrap and old paper been so unstable, which explains the development of new derivatives markets,” he observes.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

“This is, of course, a challenge for the recycling industry: to manage long-term policies of collecting ‘waste’ and making it an ‘urban mine’ in a context of world markets that are more volatile than ever. This is one of the reasons why we shall need more and more transparency on prices and data, a goal which is at the core of BIR’s future developments.”

BIR President Björn Grufman says in welcoming the study: “Prof. Chalmin’s report notes that growing market volatility leads to greater commodity market destabilisation, something which BIR has long stressed can be combated through increased transparency on prices and more comprehensive data. A major challenge for BIR and officials throughout the world in 2012 will be to collect more data concerning the capabilities of ‘the urban mine’ – recycling operations that now supply for sectors over of raw materials -- so that we can deploy these resources efficiently.”

BIR’s Director General Francis Veys says the report also highlights a new risk to global commodity trading. “A mix of protectionism and anti-dumping regulations has emerged, particularly in the European and American markets,” he states. “This is in part a reaction to restrictive trade legislation in some of the BRIC countries. BIR’s members are committed to finding a ‘middle way’ that won’t strangle supplies of recycled commodities.”

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