Bureau of International Recycling

BIR is the **international trade association of the recycling industries**. Around **70 countries** are represented through their national trade associations and individual companies which are involved in recycling. BIR comprises **four commodity divisions**: iron and steel, non ferrous metals, paper and textiles, and has **three commodity committees** dealing with stainless steel and special alloys, plastics and rubber. BIR's primary goals are to promote recycling and recyclability, thereby conserving natural resources, protecting the environment and facilitating free trade of secondary raw materials.

PRESS RELEASE

Recent BIR World Recycling Convention in Barcelona (29-30 October 2012)

Non-Ferrous Metals Division:

Protectionist barriers have no place

Brussels, 6 November 2012

In the current "fragile" economic environment, most processors of non-ferrous metals are complaining of "a lack of material to process" while many consumers "are feeling pain at the prices they need to pay for our scrap to feed their furnaces", it was acknowledged in Barcelona by Robert Stein of US-based Alter Trading. Mr Stein, who will stay on for an additional year as President of the BIR Non-Ferrous Metals Division, went on to insist: "Consumers around the world need to understand that the international flow of scrap metal is not what is currently making scrap expensive; it's a combination of underlying metals values coupled with a lower level of supply that is making a marked and negative impact."

The scrap industry depends on the ability to buy and sell its material "without the barriers of protectionism that many of our established domestic consumers promote", Mr Stein told the Non-Ferrous Metals Round-Table meeting. "Our scrap does and should continue to find its highest value at the discretion of the seller, and not by government regulations brought on by those who would seek in many ways to detract from our freedom to do so."

Protectionism has been a particular concern for the BIR's International Trade Council but its Chairman - Robert Voss of Voss International in the UK - opted to focus in Barcelona on the "increasing" rather than diminishing problem of metals theft and fraud. Many insurance companies have shown understanding to date but it is likely to be "only a matter of time", he warned, before they start to impose restrictions or higher costs on their clients in the metals recycling sector.

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With analysts believing GDP growth in China could have been at a 20-year low of 7% in the third quarter, all of the country's metals consumers have been adopting a "wait-and-see" attitude, it was noted by Andy Wahl of US-based Newell Recycling of Atlanta in his review of world markets. In India too, industry and the overall economy "are facing some contraction". From Mexico, meanwhile, there are rumours that VAT might be increased from 16% to 20% - a move which could lead to distortion of local scrap prices.

The BIR Non-Ferrous Metals Division has commissioned CRU Strategies - the international management consulting division of the CRU Group - to gather statistical data on non-ferrous metals scrap flows, in particular for copper and aluminium, and some of the early findings were shared with delegates in Barcelona by the company's Managing Consultant Christopher Stobart. Notably, he contended that the scrap industry within China will grow to become "a bigger business" and that, therefore, international scrap traders will ultimately need to look for "new, growing export markets" such as in India, Brazil and South East Asia.

He ended on a positive note by suggesting: "The scrap industry can only become more important as the years go by in comparison with the primary mining, smelting and refining industry."

Norberto Vidaña, EU Aluminum Purchasing Manager at global component producer Nemak, also devoted significant attention to China in his guest presentation on procurement strategy for the automotive casting business. The Asian giant's emerging middle class will "drive" the increase in global light vehicle sales, with China expected to record annual growth of 9% between 2011 and 2016, he said.

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