

## PRESS RELEASE

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

#### ***Plastics Committee:***

#### **“Black clouds” loom for plastics scrap traders**

**Brussels, 05 November 2012**

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A self-proclaimed “ardent fan of recycling” who prefers to focus on the positives, BIR Plastics Committee Chairman Surendra Borad of Belgium-based Gemini Corporation NV was forced to admit at the latest Round-Table gathering in Barcelona that he sees “black clouds on the horizon” for the international plastics scrap trade owing to, in part, strict enforcement of import regulations by the Chinese authorities and the ban on shipments of plastics from Europe to Malaysia.

Summarising the market, Mr Borad said overall exports from Europe are “stagnating” while those from the USA fell some 18% in the second quarter of 2012. In India, meanwhile, the recent appreciation of the rupee has helped importers to step up their overseas buying activity but this market remains mired in “apathy” as bureaucrats still fail fully to understand the significance of “waste” as a potential resource.

The US market report submitted by Michael Schipper of International Alloys spoke of stable recent demand from consumers for common grades such as PET and polyethylene, but also of emerging “echoes” of late-2011 “when consumers had to cut back on purchases and cancelled orders”. The European market was described as generally “very morose” by Gregory Cardot of Veolia Propreté in France, characterised by bankruptcy filings by plastics companies, solvency difficulties for converters and therefore “cash-flow problems” for the recyclers themselves.

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**BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS**

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In Barcelona, Round-Table guest speaker Antonio García Gleiser from the Commercial and Sales Department at Marepa-FCC Ámbito outlined the growth in Spain's plastics collections over recent years such that the recycling rate "is reaching 30%" - and is thus in compliance with the EU objective of 25%. However, he added, the plastics and plastics recovery industry must work together to build greater public awareness of the recyclability of this material.

Indeed, the recyclability of plastics was underlined by statistics reported by Mr Borad: of the 25.1m tonnes of plastics scrap generated in Europe last year, 6.4m tonnes was recycled and a further 8.6m tonnes was sent for energy recovery. Of the recycled component, 3m tonnes was handled within Europe while the other 3.4m tonnes was exported for recycling.

In reporting on his home Dutch market and that of Germany, Peter Daalder of Daly Plastics also focused on international movements of plastics scrap, pointing to budgeting difficulties created by the inconsistency in freight rates sought by shipping lines which regularly try to force up their prices. The end result for the recycling trade is a heightened level of uncertainty.

The guest presentation from Christian Elvers, Business Development Manager at Spain's FMS Logistics, suggested the job of the forwarder has become ever more important: his responsibilities extend beyond simply "organising transport from A to B" to, for example, checking which shipping lines are options for the different destinations and the equipment needed; and "value-added services" such as container stuffing, distribution and customs clearance, he said.

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