

PRESS RELEASE

Recent BIR World Recycling Convention in Munich (24-25 October 2011)

Non-Ferrous Metals Division: Challenges lie ahead

Brussels, 28 October 2011

Metals theft and fraud is “a curse” at every level of the non-ferrous metals industry and an issue which the BIR world recycling organisation will continue to address, the BIR Non-Ferrous Metals Round-Table in Munich was assured by divisional President Robert Stein of US-based Alter Trading.

Having argued that high prices are conducive to “fraudulent swindles”, he added: “Some of our members have fallen victim to fraud and theft and BIR has suggested - and does again - that members take every precaution in knowing who your trading partners might be. BIR continues to work with international police agencies and its member federations on these difficult matters.”

Providing a summary of the newly-released World Mirror from the BIR Non-Ferrous Metals Division, Bianca Vicintin Abud of the Tecal Aluminio Da Amazonia LTDA/Metalur Group in Brazil also highlighted intense concern over metal theft in, notably, Mexico and South Africa. The latter of these two countries is imposing a ban on the possession of burnt copper wire, “with the penalty likely to be imprisonment rather than a fine”, she said. “It is hoped such a measure will reduce theft because insulated wire is identifiable in terms of its source whereas burnt wire is not.”

The speaker pointed to increasing nervousness over the state of the world economy, with concern focused particularly on “the debt crisis in Europe, the sluggish recovery in the USA and increasing credit tightness in China”. She added that, in scrap terms, there had been few signs of the “widespread contract defaults, bogus claims or non-payment complaints that became all too typical

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during the downturn three years ago”. However, she did note feedback from Western Europe suggesting recent price declines had tempted buyers, especially in Asia and Eastern Europe, to “launch quality and weight claims, even raising the possibility of cancellations”.

In the context of the “not particularly good” economic outlook for most of the world, Mr Stein said that the non-ferrous scrap industry has “challenges ahead of it”. However, he expressed confidence in its ability to survive and even thrive during these difficult times with the words: “We’ve done it before.”

Three guest speakers addressed the Non-Ferrous Metals Round-Table, including David Wilson, Director of Metals Research at Société Générale Corporate & Investment Banking in the UK who predicted average prices for copper and aluminium next year of, respectively, US\$ 7500-8000 and US\$ 2200-2400 per tonne. Michael Jansen, Managing Director and Head of Metals Research, Global Commodities Group, at JP Morgan suggested the gold price would exceed US\$ 2000 per oz by the end of the year before settling back to a lower level for 2012.

John Woehlke, General Manager of Evermore Recycling LLC in the USA, highlighted the scope for a massive increase in global aluminium can consumption over the coming years. He also praised the role of the recycling industry in helping to make this “a very sustainable product”.

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