

PRESS RELEASE

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

Paper Division: Quality holds the key, insists Ranjit Baxi

Brussels, 28 October 2011

Third-quarter GDP growth in China was the slowest in two years - proof that even the world's main driver of demand for recovered fibre has not been immune to the latest economic crisis, according to BIR Paper Division President Ranjit Baxi of UK-based J&H Sales International. He told the Paper Round-Table meeting in Munich that China's recovered fibre imports for the whole of 2011 were on course to be "slightly better" than the 22.186m tonnes of 2010 but still well below the 27.643m tonnes of 2009.

Mr Baxi went on to express concern that, for quality reasons, European recovered fibre exports to China were coming under increasing pressure from material supplied by other regions of the world. If China were to cut back on its imports, Europe was therefore likely to be "the first to suffer", he warned.

The importance of establishing and following strict quality procedures was underlined by guest speaker Herman van der Mij, Commercial Sales Director at Viridor UK which handles some 1.7m tonnes of recyclables annually. There was an over-arching need, he argued, to monitor incoming supplies and to ensure outgoing product meets the standards set by customers.

In a meeting covering a wide range of topics, BIR's Environmental & Technical Director Ross Bartley confirmed that there has been a delay in the process to establish "end-of-waste" criteria in the EU for recovered paper, with an important vote by the Technical Adaptation Committee now expected on or after May 4 next year. Earlier, the European Recovered Paper Association's President Merja Helander of Finland-based Lassila & Tikanoja described the end-of-waste issue as

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one of the most important currently facing the sector in Europe. In a guest presentation focusing on resource efficiency, UPM's Head of Environmental Projects Dr Wilhelm Demharter urged politicians to accept that recovered paper is a resource and not a waste.

Controversial legislation in Spain was addressed at the Munich gathering by Francisco Donoso of Reciclajes Dolaf SL. A new law had the potential to threaten exports of recovered paper and board beyond the EU despite the fact that the region ran up a surplus of 8m tonnes last year. Fewer business opportunities would lead to lower prices and to a drop in financial resources for collection, he contended.

The global significance of Chinese recovered fibre imports was highlighted in another presentation in Munich, delivered by the Vice President of the Japan Recovered Paper Association, Nobutaka Okubo. He revealed that China accounted for 79.8% of all Japanese recovered paper exports last year - equivalent to just under 3.5m tonnes. Of the 4.374m tonnes exported by Japan to all destinations, OCC made up 50.6% and news/OMG a further 34.3%, he added.

The BIR Paper Division's latest Papyrus prize was awarded to Dr Jim Malone who manages the 2 million tonnes of recovered fibre and other recyclates handled annually by the recycling division of the UK's D S Smith group. Mr Baxi described the recipient as a man with a passionate commitment to paper recycling.

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