

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Miami (1-4 June 2014)

Paper Division:

Industry will not give up on end-of-waste

Brussels, 11 June 2014

"Hurdles to free trade are detrimental to economic growth and also to our companies," declared BIR Paper Division President Reinhold Schmidt of Germany-based Recycling Karla Schmidt in opening the latest meeting, held on June 3 in Miami.

Taking his home market as an example of a "negative" political environment, Mr Schmidt said that the introduction of a circular economy law in 2012 has put Germany's traditional recycling branch on the "endangered" list and weakened the country's recycling structure. "We don't expect any privileges, but we want at least to be able to work in fair competition with public powers," he said. Policy-makers should give more consideration to the jobs created and taxes paid by these companies, he added.

In her overview of European Recovered Paper Association (ERPA) activities, the body's President Merja Helander of Finland-based Lassila & Tikanoja also focused on legislative matters in describing the European Parliament's rejection late last year of the end-of-waste proposal for paper as "a big surprise and disappointment". It has since been suggested that the paper and recycling industries should "find a new beginning and understanding" about end-of-waste and "come up with a binding solution". The speaker acknowledged the process will take more time - possibly "a couple of years" - but insisted: "ERPA will definitely do its utmost to start the process again. End-of-waste is far too important to our industry; we must not give up but find new ways to solve the problems."

In the review of recovered paper markets in Europe, Ms Helander spoke of a "reasonable balance" in Scandinavia while Lars-Gunnar Almryd of IL Recycling noted that Turkish mills using mainly OCC "have started to utilise all grades, thus pushing up their prices". In

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Southern Europe, said Thomas Braun of BVSE, mills are continuing to come under pressure from energy costs and other factors.

The reports for Western Europe, delivered by Dominique Maguin of La Compagnie des Matières Premières and Paprec's Jean-Luc Petithuguenin, both of France, underlined "persistent" fibre supply pressure, as well as the importance of using appropriate terminology when referring to the industry's materials and activities.

The report on the Asian markets from Ranjit Baxi of UK-based J&H Sales International highlighted a sharp drop in Europe's recovered fibre shipments to China from 2.11m tonnes in the first quarter of 2013 to 1.897m tonnes in the corresponding period this year. US shipments to the same destination were broadly unchanged whereas deliveries to China from other Asian countries soared from 318,000 tonnes to 727,000 tonnes. China's total imports from all sources were fractionally higher in this year's first quarter at 7.2m tonnes.

Six years ago, Mr Baxi was responsible for the launch of the BIR Paper Division's Papyrus prize to honour paper recycling industry "champions". And in Miami, he became its latest recipient in recognition of what Mr Schmidt described as his "exceptional" standing in the sector. Mr Baxi was also made an Honorary President of the BIR Paper Division.

George Chen, President of US company G&T Trading International Corporation, offered a number of market development forecasts in his guest presentation, including: a tightening in shipping line export space; more recycling material to stay in the USA as mills install new machines; fibre prices to remain "flat", with smaller suppliers "finding it difficult to survive"; and the continuing emergence of India and Vietnam as "very important markets".

According to fellow guest speaker Otavio Pontes, Vice-President of Business Development at Stora Enso Biomaterials in Brazil, new pulp mills are generally more efficient in cost terms. As a result, virgin pulp "is becoming very competitive with recycled fibre" and this will be reflected in the coming years, he suggested.

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