

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Shanghai (27-29 May 2013)

Paper Division: China's "Green Fence" builds quality focus

Brussels, 5 June 2013

Exporters from the USA and Europe must not only put quality at "the top of every business agenda" when supplying recovered fibre to Asia but also increase their focus on the specific quality requirements of the individual receiving country, observed Ranjit S. Baxi of UK-based J & H Sales International in his final meeting as the BIR Paper Division's President before handing over the reins to Reinhold Schmidt of Recycling Karla Schmidt in Germany.

Mr Baxi noted by way of example that China operated to its own long-established material classifications; and while consumers in that country did not expect foreign suppliers to achieve zero prohibitive materials, neither were they prepared to accept 10% wax-coated paper, for instance.

The outgoing President went on to observe that China's annual recovered fibre imports topped 30m tonnes for the first time last year - and that this growth "is going to continue"; the total of 30.08m tonnes for 2012 compared to 27.28m tonnes in the previous year. However, an increase in domestic collections meant that imports now accounted for around 40% of China's recovered fibre requirements compared to more than 48% in 2005, it was pointed out by Minnie Kong, Associate Economist (Fiber) at RISI. While China's "Green Fence" policy was "temporarily" hurting exporters in the USA and Europe, it was also creating problems for those mills in China which rely on imports, she noted.

On a brighter note, Ms Kong insisted that recovered paper demand would continue to grow throughout Asia. Over the next year or so, "OCC will register the largest tonnage gains," she continued. "Mixed paper usage may also grow as the cheaper substitute for OCC and other grades. Demand for high grades in making printing & writing paper and white tops may also increase."

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

However, somewhat less positive news was contained in the European market reports delivered by Jaroslav Dobes of Remat SRO in the Czech Republic and Jean-Luc Petithuguenin of Paprec in France. Fibre prices and collection volumes remained under pressure in many instances, it was suggested.

Furthermore, the European Recovered Paper Association's Environmental & Technical Director Ross Bartley confirmed on-going obstacles to securing end-of-waste status for recovered fibre at EU level. Guest speaker Daniel Guillanton, Export Manager at SITA Negoce, emphasised that achieving this end-of-waste goal would be helpful not only in terms of managing quality but also for improving record-keeping. "We want recycled paper *not* to be considered as waste anymore," it was insisted in his presentation.

Fellow guest speaker Alan Bog, Commercial Manager Asia for Euroports Asia Terminals, acknowledged that recovered paper exporters faced "bottleneck" issues when shipping their orders overseas, such as irregular supply of equipment, surcharges and the "whims" of carriers, and uncertainty over transit times owing to slow-steaming and multi-hob stops.

Also announced in Shanghai was the latest winner of the BIR Paper Division's Papyrus prize, conferred on a company or individual for their contribution to paper recycling. On this occasion, the award went to Ms Cheung Yan, Chairlady and founder of the world's largest recovered paper-based paper manufacturer, the Nine Dragons Group.

ends