

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Dubai (17 - 20 May 2015)

International Trade Council: India reveals eagerly-awaited pre-shipment inspection revision

Brussels, 26 May 2015

The latest meeting of the BIR's International Trade Council (ITC) was supremely well timed. Only hours before officials and delegates gathered at the Intercontinental Hotel in Dubai, India's Directorate General of Foreign Trade (DGFT) had issued a notice containing revised rules for pre-shipment inspection agencies (PSIAs) and new procedures for issuing pre-shipment inspection certificates (PSICs).

The notice, which supersedes one issued in April that had caused consternation among India's metal scrap importers and suppliers, comes into effect on July 1 this year. Current PSICs can be used up until June 30.

Ikbal Nathani, President of the Metal Recycling Association of India (MRAI), told ITC delegates in Dubai that the new notice underlined his government's evident commitment to: minimising the risk of explosives and radiation entering the country in consignments of scrap; and eliminating "bogus" PSIAs and the issuing of certificates without any inspection having taken place. At the same time, he highlighted the efforts of, among others, the MRAI, the BIR, the US Institute of Scrap Recycling Industries and the Bureau of Middle East Recycling in convincing the DGFT to revisit the earlier notice.

From July 1, certificates must be provided to the DGFT with photographs or a video clip of the PSIA inspector at the place of inspection, of the testing instrument(s), of the stuffing of each container including the container number, and of its sealing. The April notice had stipulated that only video evidence would be accepted and so the inclusion of photography as an option has been broadly welcomed by the trade. The visual evidence and certificate

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should then be uploaded by the PSIA on to the DGFT's website. Certificates will be authenticated with a PSIA's unique hologram.

Furthermore, existing and prospective PSIAs are required to apply before June 7 for recognition by an inter-ministerial committee. An approved PSIA will also be allowed to conduct inspections in countries where it does not have a full-time, equipped branch office on condition that the DGFT is informed in advance by email.

At the ITC meeting, it was argued that most large shredders had the capability to affirm the quality and safety of their own shredded scrap and so could be either exempted from pre-shipment inspection certification or recognised at some future point for self-inspection.

The gathering also heard from Sidney Lazarus of Non-Ferrous Metal Works in South Africa that his country's export permit system was "not working for copper and brass scrap". He also called on all involved bodies to come together to discuss VAT on scrap and cash for scrap in South Africa.

Also in Dubai, BIR's Trade & Environment Director Ross Bartley reviewed intergovernmental strategies at various levels from WTO to OECD and onwards to encourage the removal of export restrictions. According to an OECD survey, 38% of governments identified protection of their domestic industries as their justification for such restrictions; some 21% quoted "addressing current economic conditions" and a further 20% "preventing illegal activities".

OECD researchers had carried out extensive studies into export restrictions "and in almost every case, they argue for alternatives to better achieve the stated objective", according to Mr Bartley.

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