

PRESS RELEASE

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

Paper Division:

Paper recycling margins “modest” and investment “low”

Brussels, 22 May 2015

“Our companies are under extreme economic pressure, leaving no millimetre of space for a further decline,” Reinhold Schmidt of Germany-based Recycling Karla Schmidt informed the latest BIR Paper Division meeting on May 20, at which he was re-elected as its President for a second term.

He told delegates in Dubai that companies faced numerous challenges, including: shorter terms for communal tenders; volume losses owing to structural changes, such as in the graphic sector; and an increasing bureaucratic burden. To this list he added fresh uncertainty linked to the European List of Standard Grades of Recovered Paper and Board (EN643) as regards agreed methods for measuring non-paper components for each grade and moisture content. In order to “close this gap”, an additional standard for measuring techniques would be developed by a working group of the European Committee for Standardization (CEN).

Mr Schmidt also contended that recovered paper suppliers could only engage in deeper sorting if their customers were prepared to reward such efforts financially.

Reporting on the activities of the European Recovered Paper Association, the body's President - Merja Helander of Lassila & Tikanoja Plc in Finland - said of market conditions: “Competition is tougher as collection volumes are not increasing year after year as they used to do. Margins are modest and willingness to invest is low.” She also confirmed that she was stepping down after many “wonderful” years on the divisional board and that this would be her final BIR Convention.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

With printed media “continuing to lose out rapidly to digital media” around the world, only one mill in Sweden was now using news & pams to produce newsprint, it was noted by Lars-Gunnar Almryd of IL Recycling AB in his summary of the Northern European market. France’s Dominique Maguin of La Compagnie des Matières Premières added that demand for the deinking grades in Southern Europe remained “soft” following mill closures around the continent and subsequent price drops. As for Western Europe, Mr Maguin highlighted “strong” lower grade demand both from within the region and for export.

Recovered paper collection volumes in the Czech Republic recorded their highest-ever annual growth of 12% last year, according to the Eastern European report from Jaroslav Dobes of Remat SRO.

Pondering the Asian market, Ranjit Singh Baxi of J & H Sales International - BIR’s new World President - pointed out that stricter environmental regulations in China had led to the enforced closure of some 50 mills with a combined recovered paper usage of 4m tonnes. This offered perhaps some explanation for the fact that China’s total fibre imports fell by 4.3m tonnes last year to 27.36m tonnes. Mr Baxi projected a further decline to perhaps 26m tonnes for 2015.

In Dubai, there was a local winner of the BIR Paper Division’s latest Papyrus prize honouring services to paper recycling: Habiba Al Mar’ashi, Chairperson of the UAE-headquartered Emirates Environmental Group, was praised by Mr Baxi for her “dynamic” business leadership in recycling and the wider environmental sphere. Noting that the UAE had set itself the goal of boosting waste treatment rates from 32% in 2011 to 75% within six years from now under its Vision 2021 initiative, she added: “Recycling is the most effective option.”

A fibre consumer’s perspective was provided in Dubai by Atul Kaul, Director of Pulp & Paper at the WARAQ mill group in Saudi Arabia. Pointing to a shortage of OCC in the Gulf Cooperation Council region, he called on governments to protect the local paper industry by “mitigating the threat” posed by recovered paper exports. BIR Trade & Environment Director Ross Bartley responded by saying that all economic advice tended to indicate that export bans had “a really bad effect” on recycling by, for example, depressing prices and collections.

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