

PRESS RELEASE

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

Plastics Committee:

Plenty of scope for progress in plastics recycling

Brussels, 27 May 2015

Given recycling rates of only 25% in Europe and 12% in the USA, plastics recycling remained “a very promising business” with plenty of scope for further development, Surendra Borad Patawari of Gemini Corporation NV in Belgium insisted at the latest meeting of the BIR Plastics Committee, held in Dubai on May 20.

In his Chairman’s address, however, he chose to focus on the question of whether oil and plastics scrap prices followed each other or not, tracing recent developments in the values of both commodities. He noted in particular that, when oil prices were declining during March this year, plastic scrap values increased to levels above those that had prevailed before the initial oil price drop. “I believe there is no correlation between plastics scrap and oil prices,” the speaker declared. He identified a number of reasons for this, including the relative immaturity and low volumes of the scrap market as well as the influence of regulations and quality.

Turning to India, Mr Borad said “the market is dull and I expect it to remain dull for the foreseeable future”. He lamented that the country’s imports of plastics scrap remained limited to around only 30 companies as no new licences had been issued despite expectations of “a big change” in trading patterns and import policy under the new government. Indeed, he said, there had even been rumours that more restrictions would be placed on plastics scrap imports into India.

BIR Plastics Committee member Dr Steve Wong of the China Scrap Plastics Association pointed to a slowdown in China owing to a drop-off in exports and the higher costs of processing domestically. And according to a European market report submitted by Pawan

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Birla of Gemini Corporation NV, converter resistance could lead shortly to an easing of prime plastic values from their currently elevated levels. However, plastics scrap prices could be sustained owing to lower availability.

In the first of two guest presentations, Katharina Goeschl - until recently General Manager of Emirates Environmental Technology LLC in the UAE - focused on the challenges and opportunities relating to plastics recycling in Gulf Cooperation Council (GCC) countries. In terms of post-consumer, she identified the following key issues: a lack of material availability; low recovery rates; and for the present at least, a low number of material recycling facilities (MRFs). Post-industry raw material was also subject to low availability despite high levels of demand and prices exceeding those prevailing internationally.

Fellow guest speaker Mahmoud Al Sharif Jr, Purchase Officer at Sharif Metals Int'l LLC, estimated that the UAE annually recycled some 40,000 to 50,000 tonnes of plastics scrap while the figure for Saudi Arabia was nearer 100,000 tonnes. Across the Middle East in general, plastics recycling remained a "nascent" industry, such that large volumes of scrap continued to be shipped to China for recycling. However, the speaker stressed that plastics waste constituted "an important environmental challenge" for the Middle East given above-average plastics consumption rates of, for example, 33kg per person per year in the GCC region.

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