

PRESS RELEASE

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

Tyres & Rubber Committee:

A world tour of tyre recycling in Dubai

Brussels, 27 May 2015

There was a truly global flavour to the BIR Tyres & Rubber Committee meeting staged in Dubai on May 20, with presentations from Brazil, India, the Netherlands, South Africa and the USA.

Although there existed a “very successful” scrap tyre recycling programme in North America, “this is a tough business”, insisted Jeff Kendall of leading US exponent Liberty Tire Recycling. Many entrepreneurs had failed, he explained, owing to problems with securing a steady flow of scrap tyres for shredding, to the strain inflicted by tyres on processing equipment and to relatively vulnerable end markets for rubber chips. He added that sales of used tyres into cement kilns for energy recovery were susceptible to fluctuating demand, that the ground rubber market was “limited” and that tyre-derived aggregate was “not a high-price use”, thus making a tip fee important to viability.

Between 2001 and 2014, reclaim as a percentage of total rubber consumed globally jumped from 2.1% to 5.4%, according to figures presented by Harsh Gandhi of India-based GRP Ltd. China and India easily exceeded the world average last year with estimated reclaim shares of, respectively, 11.3% and 8.2%. He added that the end-of-life tyres market in India was “absolutely unregulated”, with market forces rather than subsidies determining end use and price. Having reviewed some of the latest tyre-related initiatives around the world, Mr Gandhi insisted: “If recycling is to move forward, it has to stand on its own feet without support and without subsidy.”

Figures for 2013 revealed that Brazil had achieved almost 92% of its goal in recycling 521,000 tonnes of used tyres, equating to a market worth of some US\$ 250m. Almost 70%

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

of collected tyres had been directed into cement kilns for energy recovery while approaching 12% had become granulate for artificial grass and 10.6% had gone into the manufacture of rubber goods, it was noted in Dubai by Jacinto Alcazar Padilla of Ecija Rubber Solutions.

He was followed at the microphone by South Africa's Tony Hanouch of AP Hanouch t/a Rubber Resources who outlined to delegates the central role played in his country by the Recycling and Development Initiative of South Africa (REDISA) - a non-profit organisation that manages the fee-based system for used tyres. With the domestic unemployment rate so high, job creation had been a major motivating factor behind developments in this sector, with more than 170 new businesses emerging in the area of, for example, material collection and transportation.

According to the Chairman of the BIR Tyres & Rubber Committee, Ruud Burlet of Rubber Resources in the Netherlands, another spike was anticipated shortly in the price of rubber - thus emphasising the increasing importance of recycling. At the same time, he added, cheaper tyre imports from China were putting pressure on Europe's retreading sector.

ends