Bureau of International Recycling

BIR is the **international trade association of the recycling industries**. Around **70 countries** are represented through their national trade associations and individual companies which are involved in recycling. BIR comprises **four commodity divisions**: iron and steel, non ferrous metals, paper and textiles, and has **three commodity committees** dealing with stainless steel and special alloys, plastics and rubber. BIR's primary goals are to promote recycling and recyclability, thereby conserving natural resources, protecting the environment and facilitating free trade of secondary raw materials.

PRESS RELEASE

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

Ferrous Division:

An unwelcome mix of pessimism and protectionism

Brussels, 3 June 2013

Two years ago, commodities guru Jim Rogers had told the world's recyclers attending the BIR Ferrous Division meeting in Singapore that "you are all going to be rich". But particularly in Europe, the prosperity of that time had been replaced by increased pessimism, austerity programmes and low consumption, its President Christian Rubach of TSR Recycling observed at the latest divisional meeting, held in Shanghai on May 28.

According to Mr Rubach, the recycling sector's difficulties had been multiplied by the growth of protectionism. In this regard, Zain Nathani of the Nathani Group of Companies reported that India's ferrous scrap imports had been growing strongly but that the flow was threatened by the government's "surprising" decision in early May to increase the basic customs duty on iron and steel scrap from 0% to 2.5%. The BIR and the Metal Recycling Association of India would continue to fight this "regressive" step, he told delegates.

Andrey Moiseenko of Ukrmet reported that an "unofficial" scrap export ban in Ukraine had combined with low prices and payment delays from domestic mills to force most professional companies to limit or even halt their scrap activities. Meanwhile, he added, the availability of ferrous scrap for export from Russia was likely to be quite low in the short term given the strength of domestic demand.

In similar vein, the South African government's apparent intention to establish limits on scrap exports was highlighted by Blake Kelley of Sims Metal Management. And in his review of the US and Pacific Rim markets, Mr Kelley noted reports that China would add more than 40m tonnes of new steelmaking capacity this year despite existing "difficulty making sales".

China's finished steel products had been overflowing into other parts of Asia and thus "worsening the market", observed Hisatoshi Kojo of Metz Corporation in Japan. However, the speaker did not anticipate a sharp decline in Japanese scrap prices below the current level of Yen 33,000-33,500 per tonne.

BIR (aisbl)
Avenue Franklin Roosevelt 24
1050 Brussels, Belgium

T. +32 2 627 57 70
F. +32 2 627 57 73

bir@bir.org
www.bir.org

The European report submitted by EFR President Tom Bird, and delivered in his absence by the Ferrous Division's Honorary President Tony Bird of the Bird Group of Companies, noted that scrap prices had continued to weaken during May and that further across-the-board reductions were anticipated for June. "As always in a market such as this," delegates were told, "what appears to be a distress sale today turns out to be a good deal tomorrow."

As in the market reports, China was also a prominent topic in the Ferrous Division guest presentations. Jason Sun, General Manager at Sinosteel Raw Materials Co Ltd of China, reported that his home country had consumed 84m tonnes of scrap in its steel production last year for a decline of 7.7% over the 2011 figure. However, it was suggested that there had been usage growth of 6.6% to 22.7m tonnes in the first quarter of 2013 and that the annual total would exceed 100m tonnes within the next five years.

Peter Marcus, Managing Partner of US-based World Steel Dynamics, expressed the view that Chinese steel demand was "in the process of hitting the Great Wall", although he believed the global steel environment could improve significantly from 2015 onwards. And according to Stefan Schilbe, Senior Chief Economist of HSBC Trinkhaus & Burkhardt AG in Germany, the scope for steel-using infrastructure developments in China remained massive.

In launching the fourth edition of "World Steel Recycling in Figures", BIR Ferrous Division Statistics Advisor Rolf Willeke observed in Shanghai that steel scrap use in global steelmaking had been unchanged at around 570m tonnes in 2012 - even though world crude steel production had edged 1.2% higher. As a result, the proportion of steel scrap used in crude steel production had fallen from 37.3% to 36.8%. Covering the period 2008-2012, the latest "World Steel Recycling in Figures" contains a record number of 38 graphs and tables.

ends