

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Singapore

Ferrous Division: **Largely healthy outlook for ferrous scrap**

Brussels, 27 May 2011

Raw materials guru Jim Rogers was the main attraction of the BIR Ferrous Division plenary meeting in Singapore on 23 May 2011, which counted over 300 delegates who had come to listen to the recommendations by the widely known financial commentator, investor and commodities visionary.

The entertaining and thought-provoking guest presentation had been guaranteed to earn the rapt attention of his audience given that its title promised recyclers “you will be very rich”. He went on to explain in Singapore that 3bn people in the world are increasing their consumption at a time when supply of a range of commodities is “under duress”. He insisted: “I am very optimistic about the price of raw materials. I think you’ll be rich because you’re in the right place at the right time.” Mr Rogers went on to predict that the commodities bull run would encounter setbacks along the way but would nevertheless continue until 2018 or perhaps even 2020.

Prior to Mr Rogers’ presentation, the divisional board had presented regional commodity reports. China’s apparent steel consumption could climb as high as 850m tonnes per annum during the course of its latest Five-Year Plan. And with the country’s domestic scrap availability set to remain “very, very low” in the short to medium term, opportunities will open up for foreign suppliers as China looks to pursue a policy of more sustainable development, delegates in Singapore were told by the BIR Ferrous Division’s President Christian Rubach of Germany-based TSR Recycling.

In recent months, China has been joined by South Korea in “aggressively buying” raw materials on the international market, according to the Pacific Rim report delivered by Blake Kelley of Sims

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Metal Management in the USA. The same speaker went on to note that, after four months of 2011, the world was on course to produce 111m tonnes more raw steel this year and 63m tonnes more iron, apparently consuming an additional 48m tonnes of purchased scrap in the process.

This positive sentiment was continued by Tom Bird of Van Dalen Recycling who noted in his EU market report: "Finished product demand remains healthy and we are expecting demand for scrap to remain strong for the immediate future."

However, India's imports of ferrous scrap can be expected to drop 15-25% in the current financial year from approximately 4.75m tonnes in the year to end-March 2010, according to Ikbal Nathani of the Nathani Group of Companies and the Metal Recycling Association of India. He contended that his country's crude steel production will grow from around 67m tonnes in 2010 to nearer 75m tonnes in 2011, but that scrap imports will drop because of increased domestic sponge iron production and the larger volumes of scrap emanating from the country's shipbreaking industry.

In Japan, the domestic scrap market is predicted to remain weak during the summer months owing to a lack of demand both at home and abroad, before picking up in the second half of the fiscal year ending in March 2012, reported Hisatoshi Kojo of Metz Corporation.

For both Russia and the Ukraine, Andrey Moiseenko of Ukrmet Ltd noted an improvement in domestic scrap collection volumes last year. He also pointed out that one mill in the Ukraine broke new ground earlier this year by importing scrap "on a large scale" by rail.

The BIR Convention in Singapore also marked the official publication of the second edition of "World Statistics on Ferrous Scrap", compiled on behalf of the world body's Ferrous Division by Statistics Advisor Rolf Willeke. This contains information about scrap use in steel mills and, for the first time, in foundries.

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