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## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

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### ***BIR World Recycling Convention & Exhibition Istanbul, 31 May - 2 June 2010***

#### **Non-Ferrous Metals Division: Economic atmosphere still not clear**

Markets are continuing to “react dramatically” to an economic atmosphere which is still “not overly clear”. Intra-day price ranges often exceed the margins realised by processing facilities during normal times - “and there is no reason to believe that this situation will be remedied any time soon”, delegates to the BIR Non-Ferrous Metals Division meeting in Istanbul were told by its President Robert Stein of Alter Trading in the USA.

Having described volatility as “somewhat more pronounced than we might like”, he added: “Concerns about sovereign debt in Europe, the pace of the economic recovery in the United States and elsewhere, the economic impact of natural disasters ranging from the heights of a mountain in Iceland to the depths of an under-sea drilling disaster in the United States provide a backdrop for commercial anxieties so evident in our daily lives.”

One of the latest “anxieties” to occupy non-ferrous scrap exporters relates specifically to the country in which this year’s BIR Spring Convention was held. Turkey had implemented “difficult rules” on May 21 this year which appeared likely to complicate the country’s exports of copper and brass scrap; this issue had already been raised with the European Union, Mr Stein noted.

Even newer and potentially worrying rules were outlined by David Chiao of the Uni-All Group. Notice 21 came into force in China on June 1, the very day of the BIR Non-Ferrous Metals Division meeting in Istanbul: designed to eliminate under-declaration of consignment values, this new regulation calls for the individual packaging of each item in a mixed load.

Although it was too early to comment on enforcement practices, said Mr Chiao, it seemed that Zorba was to be identified as a single item while a detailed analysis of all components appeared to be required for irony aluminium and other mixed metals.

The world market overview provided by Carmelo Paolucci of Italy’s Trentavizi Srl accentuated the positive when suggesting that fundamentals remain healthy as China’s demand for non-ferrous metals continues to grow; for example, the country’s copper demand is expected to surge 12% this year to almost 9m tonnes. The US economy “is giving plenty of positive signs” while the government in India is confident of achieving its medium-term target of 10% annual GDP growth, helped by a 39% year-on-year upturn in the domestic automotive sector.

Although the global aluminium market surplus will be “easily over 1m tonnes” in 2010, the light metal’s average cash price should rebound from US\$ 1650 per tonne in 2009 to US\$ 2300 this year, according to Robin Bhar, Senior Metals Analyst at Crédit Agricole in the UK. An improvement in demand would lead to an average of nearer US\$ 2500 per tonne for 2011, he added.

Fellow guest speaker George Voyadzis, Director of the metals division of copper fabricator Halcor in Greece, reported that his company’s consumption of scrap fell from around 50,000 tonnes in 2008 to 37,000 tonnes the following year because of China’s “very aggressive” stance in the marketplace, although he expected this figure to rise to nearer 44,000 tonnes in 2010. And Sedat Göksu, General Manager of Özel Copper

Company in Turkey, noted that his country's copper wire manufacturing industry relied on exports for some 70% of its sales in 2009.

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