



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 2010 BIR World Recycling Convention (Autumn Round-Table Sessions), 25-26 October, Brussels

Non-Ferrous Metals Division:

Surprising rebound of prices

Brussels, 29 October 2010

Demand for non-ferrous scrap has been resurgent in 2010 following the lows of late 2008 and the first half of 2009. "We again found ourselves as the fuel for the demand of the emerging economies of the world - as providers of ecologically-viable alternatives to primary metals to growing but mineral-deficient nations," the BIR Non-Ferrous Metals Division's President, Robert Stein of US-based Alter Trading, proclaimed at the world recycling body's Autumn Convention in Brussels.

But while "scrap has come into the system and has met the needs of consumers", the non-ferrous scrap world "still suffers far too many limitations and obstacles from governments", lamented Mr Stein. And he insisted: "Our scrap metal should be treated on an equal footing with its primary counterparts."

The Chairman of BIR's International Trade Council - Robert Voss of Voss International in the UK - reported trade barrier developments in a number of countries, including Sri Lanka and the East African Community. And he urged BIR members to keep the world organisation informed of any moves likely to impair import/export flows of recyclables such as non-ferrous scrap.

In reviewing market reports from around the globe, BIR Non-Ferrous Metals Division board member Alejandro Jaramillo of Recicladora Cachanilla in Mexico noted a number of common themes, such as: the weakening of the US dollar making exports more challenging; concerns throughout the supply chain about price volatility; widening discounts between scrap and primary metal prices, in some cases to "historical highs"; cash-flow issues for many traders and processors; and the impact of China's relative inactivity in the market.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

Bureau of International Recycling 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

Mr Jaramillo also highlighted the fact that Russia has begun importing non-ferrous scrap this year from, among others, Romania, Poland, Kazakhstan, the Ukraine and Spain. "The trend is likely to continue," he said.

Guest speaker Bob Garino, Director of Commodities at the US Institute of Scrap Recycling Industries, said the recycling industry appears to be "on a reasonably solid footing" whereas the overall US and global economic recovery "is still fragile" and "subject to external shocks". These could be triggered, he suggested, by: fresh sovereign debt issues in the EU; global currency devaluations and subsequent protectionist trade policies; and/or major political or economic upheavals.

He was followed at the lectern by William Adams, Head of Research at UK-based FastMarkets Ltd, who contended that prices of all of the major non-ferrous metals will push higher in time as part of a "super-cycle" driven by secular growth in rapidly-developing economies and supported by "slow but volume growth" in mature economies. Having expressed surprise at the extent of the price rebound, he ventured: "It looks as though investors have latched on to the belief that the super-cycle will drive commodity demand and that there will be supply shortages in the years ahead." With this in mind, he said, "they have been prepared to buy and hold".

While Mr Adams anticipated "considerably stronger" metals prices in the years ahead, he also argued that current levels "are not justified" and so there exists "considerable risk of downside corrections".

- ends -