

## **PRESS RELEASE**

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### **BIR World Recycling Convention 25-27 May 2009, Dubai** *Press Releases on Plenary Meetings*

#### **International Trade Council: First meeting focuses on credit insurance and arbitration**

In late May, Dubai hosted the first-ever plenary meeting of BIR's International Trade Council (ITC). But although this body was formed only recently, it has already been active in attempts to protect the trading interests of BIR members in, among other countries, India, Indonesia and Russia, according to the opening address by ITC Chairman Robert Voss of UK-based Voss International.

The meeting in Dubai focused specifically on the hot issues of credit insurance and of arbitration in the case of a contract default. And it was agreed that BIR would look to make a presentation to leading credit insurance companies to explain how instances of loss of cover have hurt the recycling industry over recent months. In some situations, the reasoning by which insurers have reached decisions over cover for metals recyclers has been "a complete and utter mystery", declared Mr Voss.

The view was expressed in Dubai that the recycling industry is generally not well understood by insurers. If a policy truly tailored to the needs of the recycling sector could be devised, then this would "sell like hot cakes", insisted BIR Ambassador Salam Sharif of Sharif Metals in the United Arab Emirates.

Two representatives from leading credit insurer Euler Hermes looked to counter a suggestion made at the meeting that the metals industry has fallen out of favour with the insurance community. However, credit underwriter Ragi Naveen did acknowledge that, based on sectoral analyses, Euler Hermes had adjusted its exposure in certain industries since the onset of the global financial and economic crisis.

Credit insurance helps companies to alleviate the risk of bad debts and also provides a means to have potential new clients vetted by professionals, she also pointed out in Dubai.

On the issue of arbitration, Mr Voss said that BIR has arrived “at a crossroads” with its own service and will be subjecting it to review. The world recycling organisation has “learned a lot” over the last nine months in the light of contract defaults and discounting, as well as often unjustifiable claims.

The meeting featured a guest presentation from commercial arbitration specialist Eng. Zakaria Abdul-Aleem of Dubai-based Aleem Survey & Evaluation on the advantages of this approach. Arbitration is “an essential tool”, he said, in resolving commercial disputes, particularly at an international level. “It is fast and compatible with rules and procedures chosen by the Parties,” he continued. “It provides a great deal of secrecy and confidentiality, which keeps the details of commercial deals in secret and keeps the reputation of the Parties unharmed.”

According to Mr Abdul-Aleem, one of the most important forms of arbitration relates to cases of dispute between a state and a person from another country where the latter “will never expect to find impartiality in the state’s courts”.

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