BIR
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 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.

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Non-Ferrous Metals Division: Serious damage to market infrastructure

Since BIR's 2008 Autumn Convention in Düsseldorf, the non-ferrous scrap sector has been "marred by the most serious damage to its infrastructure ever" as a result of the "unacceptable behaviour" and "wholly unethical activities" of some commercial operators in Asia and elsewhere, according to BIR Non-Ferrous Metals Division President Robert Stein of US-based Alter Trading.

This "assault" in the form of contract defaults "can't be overlooked", Mr Stein insisted to delegates at the latest divisional meeting. And he confirmed that, in Dubai, the Division's board had approved two resolutions relating to compliance with and enforcement of BIR's Code of Conduct. These reflected "the need to act" and "the need for change", he stated.

The decisions taken by some Chinese buyers to renege on signed contracts during late 2008 had "cast a dark shadow" over the reputation of the country's purchasers, it was later noted by guest speaker Lili Shi, a freelance journalist and consultant based in China. However, she stressed that many other Chinese buyers had fulfilled their contractual obligations.

Subsequent to these events, the speaker noted, overseas suppliers of non-ferrous scrap to China have been demanding up to 100% payment before loading - a requirement

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which has dented buyers' cash-flows and prompted them to reduce their purchased volumes. "There is no doubt that the times of sudden huge profits by Chinese scrap buyers have already passed," she said.

As regards the markets themselves, Mr Stein noted that conditions have been "somewhat better" in more recent months but "nowhere near acceptable". A survey of global developments, provided by Peter Dahmen of Metallhandelsgesellschaft Schoof & Haslacher in Germany, concluded that China is "recovering faster than all other countries" from the global crisis although its purchased volumes of scrap are regarded as "in excess of actual consumption" - a phenomenon the speaker attributed in part to the country's economic stimulus package. "Continuously" growing volumes of non-ferrous scrap have also been exported to India and other Asian countries, he added.

Since the onset of the economic crisis, scrap volumes have suffered dramatic declines in a number of key countries and regions of the world, including the USA, Australasia, South Africa and many parts of Europe, noted Mr Dahmen. However, he added, high Chinese prices have improved copper scrap availability in the Middle East.

The scope for rapid metals consumption growth in India was emphasised by guest speaker Ujjwal Munjal. By way of example, the CEO of Rockman Industries pointed out that per capita consumption of copper is 3kg per annum in India compared to a developed world average of 8kg, while the country's aluminium consumption is a mere 0.85kg per head compared to a developed world mean of 16-35kg per year.

According to Mr Munjal, India has been relatively well insulated against the global crisis owing to the fact that exports account for only 17% of its GDP. At the same time, the country is benefiting from solid banks and stable government, he argued.

Dismissed as "old-fashioned" in the past, Brazil's highly-regulated economy is now considered "trendy", joked fellow guest speaker Bianca Vicintin Abud of the country's Metalur Group. As an example of how the South American country is enjoying more positive market conditions than many other parts of the world, she noted that a reduction in domestic taxes on cars had led to the automotive industry returning its best-ever first-quarter sales results in 2009.

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