

## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

**Brussels, 29 October 2007**

### **BIR Warsaw Round-Table Sessions**

#### ***Plastics Committee:*** ***Increased sea freight rates cause problems*** ***for the recycling sector***

Exports of plastics scrap to India will be "severely affected" by new EU shipment regulations, the latest BIR Plastics Committee meeting was warned by its Chairman Surendra Borad of Gemini Corp. NV in Belgium.

India has been "very ambiguous" in its response to the EU about shipment controls, resulting in the implementation of a notification system, he explained in Warsaw. "When free trade is put under regulations, there are bound to be distortions," said Mr Borad. At present, he added, approximately 7000 tonnes of plastics scrap is being exported to India each month - mainly in the form of LDPE but also PET.

European exporters have also been hit by the "headache" of a sudden 200-300% increase in sea freight rates which is proving "difficult to bear for the plastics market". And also taking into account the strength of the Euro, Mr Borad declared: "I strongly believe that the volume of international trade in our industry will be reduced substantially during this period."

EU regulations, sea freight increases as well as CCIC controls have also impacted on exports to China, reported Jacques Musa of Veolia Propreté France Recycling. "Sea freights have been increased by two to three times for shipping to China but prices are not definitely finalised," he said. "Let's hope that rises will be contained - otherwise,

low-price material will be difficult to export.” Import taxes and inland transportation costs in China have also climbed, he added.

As regards the French market, Mr Musa spoke of a widening gap between supply and demand for secondary raw materials, with consumers forced to reduce their profit margins in order to maintain their supplies.

Export issues also preoccupied Peter Daalder of Daly Plastics BV in the Netherlands and Marc Figueras of Veolia Propreté France Recycling. The former complained of the scale and cost of environmental and customs checks carried out at Dutch ports, while the latter suggested that delays caused by the “rigidity” of export authority checks in Spain are threatening to “paralyse” container movements.

A report on the plastics market in Australia, provided by Fred Jiang of Sims Group, confirmed that 281,000 tonnes of secondary plastics had been reprocessed domestically in 2006 - a “significant increase” compared to the previous year. “About 91% of the reprocessed material was consumed domestically,” he stated. Australia is still recording considerable growth in its exports to China despite the “unpredictable” nature of this business.

A perspective on plastics recycling in Poland was provided by guest speaker Maciej Krzyckowski, Manager of the Recycling Department of Eko Cykl Recovery Organization Inc. Expressing confidence in his country’s ability to meet EU plastics recovery and recycling targets, he revealed that approximately 64% of domestic scrap arisings are subjected to materials recycling, 33% to energy recovery and 3% to chemical recycling. According to the Polish authorities, plastics are not deemed to have been recycled until regranulate has been turned into a new product, he added.

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