



BIR

Bureau of International
Recycling

BIR is the international trade association of the recycling industries. Around 60 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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Paper Division: Asian demand set to grow

New capacity developments will ensure that Asian demand for recovered paper continues to grow "in 2007 and thereafter", the BIR Paper Division meeting in Athens was assured by Vice-President Ranjit Baxi of UK-based J&H Sales International Ltd. At the same time, growing competition to supply this booming market would intensify the pressure on Europe's exporters to meet higher quality standards, he added.

China alone imported almost 6 million tonnes of recovered fibre in the first quarter of this year; if this rate of imports is maintained throughout the year, then the Asian giant will source more than 23.8 million tonnes from foreign suppliers in 2007 - an increase of 21.4% compared to the 19.6 million tonnes imported last year.

North America and Europe accounted for more than three quarters of China's recovered paper imports during the first quarter of 2007 but, according to Mr Baxi, traditional supplier regions were coming under increasing competitive pressure from within Asia. For example, South Korea's exports to China soared from 5179 tonnes in January-March 2006 to 92,087 tonnes in the first quarter of this year. Having pointed out that South Korea's domestic OCC price had averaged US\$ 85 per tonne in January-March this year compared to US\$ 160 per tonne in China, Mr Baxi

BIR

Avenue Franklin Roosevelt 24, B-1050 Brussels (Belgium)

Tel: + 32 2 627 57 70 - Fax: + 32 2 627 57 73 - E-mail: bir@bir.org -

<http://www.bir.org>

commented: “This explains why more and more of the Asian countries are looking to export their surplus recovered fibre to China.”

In his world recovered paper market review, divisional Past President Giampiero Magnaghi of Italy agreed that Asia’s recovered paper demand would continue to be driven by per capita growth in paper consumption. On a global level, this trend could create problems in the future with regard to recovered paper availability; there was reasonable scope to increase collections in North America but not in Europe to the same extent, he contended.

Most European countries are enjoying good demand for recovered paper, but stocks are low and collections are likely to decline in the next few months. “This may lead to a rocketing of prices - at least, all the market signs are there”, confirmed divisional Vice President Merja Helander of Paperinkeräys Oy, Finland, in her review of the European market.

On a more negative note, revised EU shipment regulations due to be applied from July 12 represented “a danger to our industry”, according to the new President of the European Recovered Paper Association (ERPA), Michael Kühl of Kühl Unternehmungsgruppe in Germany. In requiring sellers to list their suppliers on a form also to be seen by customers, there would be a potentially damaging breach of commercial confidentiality, he argued. The same speaker also explained that the EN 643 grade list was being revised with the aim of reflecting the worldwide scope of trading activities.

According to Paper Division guest speaker Nico Schröder, Vice President of Global Seafreight at ABX Logistics of Belgium, global container transport was likely to double over the next 15 years thanks largely to 10%-plus annual increases in trade flows from Asia to both North America and Europe. Port and inland capacity issues would lead to “increasing congestion and also increased cost”, he added.

With Dominique Maguin confirmed as the new World President of BIR at the Athens Convention, his successor as President of the Paper Division will be ratified at the 2007 Autumn Convention in Warsaw.

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*For further information please contact:
Elisabeth Christ
BIR Communications Director
Tel: + 32 2 627 57 70
e-mail: bir@bir.org*

BIR
Avenue Franklin Roosevelt 24, B-1050 Brussels (Belgium)
Tel: + 32 2 627 57 70 - Fax: + 32 2 627 57 73 - E-mail: bir@bir.org -
<http://www.bir.org>