



BIR
Bureau of International
Recycling

BIR is the international trade association of the recycling industries. More than 55 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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Plastics Committee: **Expected increase of China's demand for plastics** **scrap**

China imported more than 8 million tonnes of plastics scrap and recycled plastics last year - around half of which came from the EU and a further 3 million tonnes from the USA, according to the BIR Plastics Committee's guest speaker David Wong of CB Holdings (Hong Kong, China). And China's demand for such plastics "will become bigger and bigger", he assured delegates.

However, he added, "serious" problems confronted traders and merchants because they had to take responsibility for quality control. Plastics scrap was supposed to pass pre-shipment CCIC control procedures but this did not entail a full inspection of the physical properties of the material. "The trader and merchant are taking care of this issue," said Mr Wong. The main point of concern was not price but how to "establish trust between the overseas supplier and the import trader/merchant". The guest speaker called on both parties to state clearly their own liabilities with regard to a transaction, and for sales contracts to describe the material in as much detail as possible. And he added: "To keep the relationship between one good supplier and one

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

good buyer is always better than looking for 100 or more new sources in the market every day.”

Despite high oil prices, the Dutch and German plastics recycling industries had witnessed an early-year reduction in exports to Asia and lower prices for PET and polyethylene foils in particular, explained BIR Plastics Committee Chairman Peter Daalder of Daly Plastics BV in The Netherlands. Meanwhile, the German market had become more open following the end of the DSD monopoly: in 2005, many reproprocessors had been unable to source sufficient supplies via the DSD system whereas more players were now offering material.

According to Jacques Musa of Soulier in France, the domestic market had witnessed strong demand for all primary polymers since the start of 2006. As for secondary plastics, polyethylene was in short supply and subject to price competition. Market conditions in Spain and Italy were broadly similar. Turning to the Chinese market, Mr Musa suggested that there had been increases of up to Euro 10-15 per tonne for 100% LDPE whereas the price of 80/20 material had dropped by a similar amount.

The meeting also learned that, thanks in part to strong economic growth, South Africa was experiencing healthy demand for LDPE and HDPE. Meanwhile, the country's PET recovery rate had improved following the decision to finance collections through a tax on primary material.

In his review of the Indian market, Surendra Borad of Belgium-based Gemini Corporation NV noted that 20 of the 30 Indian companies permitted to import plastics scrap had obtained licence extensions lasting only three months, whereas the remaining companies had secured longer licence periods. Meanwhile, scrap imports from the USA had fallen “substantially”.

Mr Borad reported good demand in India for clean 98/2 LDPE scrap, used granulated bags and coloured LDPE films. Having noted that LDPE accounted for a sizeable proportion of India's plastics scrap imports, Mr Borad added: “PET scrap is also being imported but the market is very weak. There is absolutely no market for PP, PVC or HDPE in India.” Furthermore, India was not importing electronics scrap even though such trade would not entail any special legal requirements.

It was confirmed in Beijing that Mr Borad had agreed to take over as Chairman of the BIR Plastics Committee following Mr Daadler's decision to step down after five years in the post.

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