



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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***BIR Autumn Round-Table Sessions
Milan
24-25 October 2005***

**Ferrous Division :
'The age of cheap scrap is over.'**

Thanks to representations from the metals recycling industry with the assistance of BIR, the Indian government had agreed to relax import control procedures applied to US and European ferrous scrap, the Ferrous Division and Shredder Committee Joint Round-Table in Milan was informed by BIR Ambassador for South Asia Ikbal Nathani of the Nathani Group of Companies.

Inspections had been tightened after accidents and loss of life resulting from the inclusion of explosive materials, including ammunition, in imported heavy melting scrap (HMS). The Indian government had now accepted that US and EU scrap should be subject to less rigorous customs procedures since it was not arriving from a war zone, although scrap from the Middle East and Africa would continue to undergo closer scrutiny. An outright ban on HMS imports was being applied to Iran as a war zone, Mr Nathani pointed out.

In the first six months of this year, India took over from Turkey as the leading buyer of EU scrap by importing 1.357 million tonnes from the region - equivalent to an increase of 257.1% over the first half of 2004, according to the European report delivered by Anton Van Genuchten of Germany-based TSR GmbH & Co. KG.

Turkish imports slid 35.8% to 1.062 million tonnes over the same comparative periods while EU steel scrap shipments to China fell 14.2% to around 200,000 tonnes.

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Ferrous scrap market prospects for the coming months appeared more positive than negative, added Mr Van Genuchten. Key factors included good orders from the steel industry, available demand from outside of the EU, and the potential for winter weather to disrupt the supply of scrap.

High export duties imposed by the Ukraine had almost eliminated the country's overseas shipments of scrap, according to Denis Ilatovskiy of Mair Joint Stock Company in Russia. In his home country, meanwhile, scrap collection had increased by 8% this year and was likely to total around 30 million tonnes for 2005 as a whole. Sales to domestic scrap buyers had risen 11% to 12.4 million tonnes in the first nine months of the year while exports had edged 3% higher to 10.3 million tonnes.

The majority of US scrap traders were anticipating an upturn in prices of around US\$ 30 per tonne for November, according to John Neu of Hugo Neu Global Trade. "An increase of this magnitude seems justified," he said, "as it will restore scrap collection rates, yet not cause short selling."

Mr Neu also provided the Round-Table with a report on the Asia Pacific market in which he noted a recent increase in production levels among some electric arc furnace mills in South East Asia. The anticipated increase in iron ore prices for 2006 would represent "another positive factor" for the scrap sector, he added.

Round-Table guest speaker Antonio Gozzi, Managing Director of Duferco Group, predicted that scrap prices would remain above US\$ 200 per tonne in 2006, before adding that "the age of cheap scrap is finished once and for all". He also speculated that some 60% of world steel demand would be emanating from Asia by the year 2010.

A report on BIR Shredder Committee activities confirmed the commissioning of at least 12 new shredders over the previous five months: six of these units had been installed in North America, four in Europe and two in Australia. Worldwide shredder capacity currently stood at between 75 million and 90 million tonnes per annum "and will probably pass 100 million tonnes in the next few years", said Jim Schwartz of Texas Shredder Inc. of the USA.

BIR Environmental & Technical Director Ross Bartley provided delegates with feedback from the Stakeholder Working Group responsible for reviewing the EU targets for 2015 relating to the reuse, recovery and recycling of end-of-life vehicles. The compromise favoured by shredders was for 80% reuse/recycling and 95% reuse/recovery, he pointed out.

Mr Bartley also noted with regret that, on the evening prior to the Ferrous Division & Shredder Committee Joint Round Table in Milan, a European Parliament delegate had spoken out against the export of ferrous scrap to developing countries on the grounds that the trade constituted a danger to health. According to Mr Bartley, this demonstrated once again the importance of the industry's role in offering expert guidance to politicians on issues relating to recycling.

The meeting in Milan also featured a special award to recycling industry stalwart Fred Nijkerk of The Netherlands in recognition of the fact that he was attending his 100th BIR Convention. Present at the launch of BIR in 1948, Mr Nijkerk was described by

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BIR President Fernando Duranti as “one of the best known figures in our recycling community”.

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