



**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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## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

**Brussels, 28<sup>th</sup> October 2005**

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

**Stainless Steel & Special Alloys Committee :**  
**Asian demand still on the rise**

Chinese requirements for stainless steel scrap could increase five-fold over the coming decade, the BIR Stainless Steel & Special Alloys Round-Table in Milan was informed by Michael Wright of ELG Haniel in the UK.

Asia could be producing 31 million tonnes of stainless steel by 2015 - equivalent to between 60 and 65% of total world production, he suggested. Over the same period, China was likely to increase its crude stainless output from 2.8 million tonnes per annum to 14.4 million tonnes, with the country's stainless scrap requirement rising from around 900,000 tonnes per annum to 4.5 million tonnes, or 27% of global availability. As a result, China would need to import 1.6 million tonnes per annum by 2015, or 10% of world stainless steel scrap availability.

Having observed that "China's product mix with regard to qualities is not yet stable", Mr Wright revealed fears that the proportion of CrMn grades would remain relatively high while "the ratio of austenitic qualities might remain steady and the difficult ferritic grades could well be the losers". He warned: "CrMn and CrMnCu grades are really poisonous when they enter the recycling loop. Detection by magnet or conventional methods is very difficult. Unless we find an efficient technique of separation at source, the scrap reserve will be severely contaminated. This contamination will create major problems for stainless recyclers and melters alike." Renowned analyst Heinz Pariser, owner of HHP Alloy Metals & Steel Market Research and Publications in Germany, predicted that Asia would account for around

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two-thirds of global stainless steel consumption by 2015. He also pointed out that, without the estimated 34% increase in Chinese production during 2005, “the whole stainless steel industry would have declined 10%”. For 2006, Mr Pariser anticipated an improvement in world stainless production of at least 6%.

Barry Hunter of Hunter-BenMet Assoc. in the USA argued that the US consuming markets would eventually find themselves competing for scrap supplies “down to basically truck-load quantities”. He added: “Our major international scrap wholesalers, while servicing both domestic and international markets, will also be competing for committed supplies against each other and the Asian brokers. Accumulating scrap for bulk cargoes for a single large tonnage will be difficult to justify.”

In his report on the European market, BIR Stainless Steel & Special Alloys Committee Chairman Sandro Giuliani of Giuliani Metalli/Cronimet Group in Italy said global stainless steel production was expected to be 9.7% lower in the second half of 2005 than in the same period last year and 4.5% lower for the year as a whole. It was “surprising”, he said, that most of the production cutbacks had been implemented in Europe where consolidation and major investments had been expected to guarantee production increases.

Ildar Neverov of Russia-based TeplotovResource informed delegates in Milan that his country exported around 203,000 tonnes of stainless steel scrap in the first eight months of this year. Finland has been receiving some 52% of Russia’s exports while a further 23% has been going to The Netherlands.

The Round-Table concluded with a prediction from Stuart Freilich of Universal Metal Corporation in the USA that demand for titanium and superalloys would remain strong “for many years to come”, notwithstanding “the usual price fluctuations”.

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