



**BIR**

Bureau of International Recycling

BIR is the international trade association of the recycling industries. More than 50 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**

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# **BIR World Recycling Convention & Exhibition Barcelona, 23-25 May 2005**

## ***Plastics Committee:***

### **Tension over lack of raw material**

A report on plastics recycling in South Africa was one of the highlights of the BIR Plastics Committee meeting on Monday, 23<sup>rd</sup> May.

Darren Pillai, General Manager of Mama She's Waste Recyclers in South Africa, described his domestic market as 'very different to the rest of the world' owing to a ban on the import of plastics scrap, a low recovery rate, an 'erratic' local currency, and a relative dearth of legislation covering the recovery and recycling of plastics. At the moment, consideration was being given to ways of boosting the domestic recovery rate of bottle-grade PET to 30% from its current level of 8%.

In other reports, Marc Figueras of Peninplastic SL spoke of tension in a Spanish market which had been 'revolutionised' by exports to Asia. There was a lack of raw material on the domestic market and prices had sustained significant increases, he added. Jacques Musa of Soulier in France pointed to 'very strong' demand for secondary materials and to complaints from some recyclers of insufficient raw material to run their plants at full capacity. Some plants in France were running at around 60% while others in Italy were reportedly operating at below 40% capacity. Plastics Committee Chairman Peter Daalder of Daly Plastics BV in The Netherlands said that conditions were similar in his own country and in Germany, and that the market was now probably 'at the top' for a wide range of plastics. However, he believed further price development could be anticipated for technical plastics such as PMMA.

Reporting on the Indian market, Surendra Borad of Belgium-based Gemini Corporation looked to dispel the notion in Europe and the USA that electronic scrap

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](mailto:bir.sec@skynet.be) - <http://www.bir.org>

was being exported to India. 'There is not a single factory which is equipped with the manual or mechanical infrastructure to sort out electronic scrap, and the authorities will not permit the import of electronics which are mixed with metal,' he said. Noting that economic viability generally prevented India from importing anything other than LDPE scrap, the speaker added that, overall, 'the future of plastics scrap in India is not as promising as one would think'.

Guest speaker Dr Giuseppe Lacchini, Managing Director of Cell-Data in Italy, told delegates in Barcelona that the London Metal Exchange was due to launch its first two plastic futures contracts - for polypropylene and LLDPE - later that same week. Given that polyolefin prices were highly volatile, these contracts would provide an opportunity to 'hedge the price risk and ensure that profit margin can be controlled'. The LME was considering the launch of three further plastic futures contracts by the end of this year, Dr Lacchini added.

Also at the Barcelona meeting, Mr Daalder alluded to discussions surrounding the possibility of the Plastics Committee becoming a fully-fledged Division within the BIR organisation and thereby giving the plastics recycling industry a stronger voice. To achieve this goal, he stressed, it was necessary to encourage more countries to participate in the committee's activities.

*For further information please contact:*

*Elisabeth Christ*

*BIR Communications Director*

*Tel: + 32 2 627 57 78*

*e-mail: [info@bir.org](mailto:info@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.sec@skynet.be](mailto:bir.sec@skynet.be) - <http://www.bir.org>