



**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**

**Brussels, 30<sup>th</sup> May 2005**

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

## ***Stainless Steel & Special Alloys Committee:***

### **Evidence of a slow-down in the stainless steel sector**

European stainless steel production increased by almost 7% last year but will rise by perhaps only 3 to 5% in 2005, the Stainless Steel & Special Alloys Committee was told on Tuesday, 24<sup>th</sup> May by its Chairman Sandro Giuliani of Giuliani Metalli-Cronimet Group of Italy.

Recent months had thrown up 'risks and uncertainty' in the form of US dollar weakness, oil price increases, variable demand, and nickel supply/scrap availability issues. 'European steelworks have had to face a weakening market situation as well as some erosion in prices since the beginning of 2005,' he said. There had already been signs of a possible slow-down in orders for the mills, he added.

Forward orders for new business were not flowing in the USA, according to reports received by Barry Hunter of Hunter BenMet Assoc. 'Clear negatives expressed for the European economy, a reduction in US car sales, a non-aggressive Chinese buying market, the potential of a stronger dollar, increasing interest rates, and everything being written about metals, would give support to reduced buying and maintaining extremely tight inventory controls,' he told delegates. Mr Hunter went on to note that Asia accounted for around 83% of US stainless steel scrap exports in the first quarter of 2005, with China taking more than half of this volume.

According to fellow countryman Stuart Freilich of Universal Metal Corporation, military requirements for new/upgraded equipment and spare/replacement parts would help underpin demand for high temperature alloys, titanium alloys and refractory

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metals throughout 2006 and 2007. The market for these materials would also be boosted by increases in passenger movements and freight business.

The scrap titanium market had been 'spectacular' since the previous BIR convention last October, with prices virtually tripling in the case of 90-6-4 revert material. 'This was all to change in late April,' said Mr Freilich, 'when the steelworks did not place bids for their next-quarter ferro titanium requirements. Traders, especially from the Ukraine region, panicked and began selling ferro titanium at below market, causing the market to fall to today's levels.' Titanium ingot makers had responded to the price changes in ferro scrap by withdrawing from the market 'even though the fundamentals for titanium ingot have not changed', he said.

Ildar Neverov of TeplotovResource revealed in Barcelona that Russian stainless steel scrap collection was expected to total 270,000-300,000 tonnes per annum to 2010. Russia's export duty remained at 15% but there was still scope to offer material to international customers, he went on to say.

A profile of major stainless steel producer Acerinox SA was provided by guest speaker Juan Garcia, the company's head of investor and media relations. He explained that the company had facilities in Spain, the USA and South Africa, and was among the world's top five stainless steel flat product producers which together accounted for 58% of global production in 2004. Mr Garcia also confirmed that Acerinox was investing in a 200,000 tonnes per annum electric arc furnace at the NAS operation in the USA, thereby increasing its capacity to around 1 million tonnes.

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