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.

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

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# *World Recycling Convention Berlin 24-26 May 2004*

## Ferrous Division: Strength in scrap volume sales but prices down since April

After slowing its purchases over recent months, China was likely to re-emerge as a strong buyer of scrap 'but perhaps in a more graduated manner than the on/off light switch that seemed to have been flipped previously', Ferrous Division President Robert Philip of US-based Hugo Neu Schnitzer Global Trade told delegates in Berlin.

The President predicted 'continued strength in scrap volume sales and scrap prices' and took further encouragement from the guest presentation of Prof. Dr Dieter Ameling, President of the German steel federation Wirtschaftsvereinigung Stahl, who highlighted strong growth in world steel production and limited availability of scrap.

According to Prof. Dr Ameling, global crude steel production was expected to surge past the 1 billion tonnes mark in 2004 thanks in no small measure to massive growth in the Asian market, and particularly in China. Based on statistics from the

International Iron and Steel Institute, he indicated that China's finished steel utilisation could reach 263 million tonnes this year compared to 153 million tonnes just three years ago. Furthermore, it was estimated that China would be utilising 320 million tonnes by 2007 and would achieve annual per capita consumption of just under 300 kg by 2010. By comparison, India was currently recording of consumption rate of 35 kg per head of population and therefore offered major scope for future growth.
The speaker went on to note that scrap prices had recently achieved 'record highs' and that the 'recycling share' of world crude steel production had fallen from 48% in 1991 to around 42% last year.

Market reports generally echoed the upbeat tone adopted by Mr Philip. The US report read by Denis Mittleman of Hugo Neu Schnitzer predicted a relaxation of China's tight monetary controls over the next few months to enable mills to replenish depleted raw material stocks. Present CIF prices of less than US$ 200 per tonne in Turkey and under US$ 220 in Asia were unsustainably low. However, the speaker also warned that steel demand in the USA would ultimately 'drop off in large part' due to record oil prices.

Reporting on EU trade, Anton van Genuchten of TSR GmbH & Co. KG in Germany confirmed that scrap consumption in the region had totalled around 85 million tonnes in 2003 and had therefore remained practically unchanged over the last four years. Given the ample supply of scrap in Europe, he expressed surprise at the modest extent of the downward price correction seen in the weeks leading up to the convention.

Divisional Vice-President Denis Ilatovsky of Mair Joint Stock Company in Russia suggested that, in only a few years from now, his country could have reduced steel scrap exports to such an extent that it would become a net importer. 'Over the next three to five years, demand for steel scrap on the domestic market could increase by 5 to 7 million tonnes per year,' he contended.

In a report on the activities of the European Ferrous Recovery and Recycling Federation (EFR), its President Christian Rubach spoke of the introduction of EU duties on US ferrous scrap imports: these would increase in monthly increments of 1% to reach 17% by March 2005, he explained.

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