



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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Stainless Steel & Special Alloys Committee: Tighter conditions expected for third quarter 2004

The currently increased availability of scrap was unlikely to persist throughout 2004, according to experts addressing the BIR Stainless Steel & Special Alloys Committee meeting in Berlin.

The committee's Chairman, Sandro Giuliani of Giuliani Metalli-Cronimet Group in Italy, suggested that 'this higher scrap availability will probably not continue for the rest of the year because it is partially due to stocks that have been liquidated by now'. And in his report on the US market, Past Chairman Barry Hunter of Hunter BenMet Associates predicted a return to tighter conditions in the third quarter of 2004.

While many scrap dealers were talking in terms of a shortage of scrap, figures collected from European steelworks indicated that availability had improved by as much as 15% in 2003 and by a further 15% in the first quarter of 2004, said Mr Giuliani. The external scrap ratio had averaged 37.2% last year but would probably exceed 38% in 2004.

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World production of stainless steel had grown by 7% to 22 million tonnes in 2003 and European mills remained bullish about prospects for 2004 despite uncertainty surrounding the effects of EU enlargement and steps taken by the Chinese authorities to curb their overheating economy, according to Mr Giuliani.

Mr Hunter spoke of the 'domino effect' created by the economic measures recently adopted by China, leading to a substantial fall in scrap purchasing prices. Strong melt programmes were still reported from the USA, with North American Stainless - the nation's leading scrap buyer - continuing to melt near capacity.

This generally upbeat tone was also echoed in the presentation prepared by Stuart Freilich of Universal Metal Corporation in the USA. Build rates in the aerospace market had been higher than anticipated and sales were expected to grow by as much as US\$ 10 billion during 2004. Analysts were forecasting 'many good years of business ahead', he added.

In an overview of the stainless steel market in Russia, Ildar Neverov of Teplovtorresource said domestic plants had been unable to purchase sufficient quantities of scrap owing to the higher prices available on the export market and to non-payment of suppliers. Having called for a removal of 'discrepancies and contradictions' within Russia's metals-related legislation, Mr Neverov noted his country's 15% export duty on stainless steel scrap and predicted customs duties would soon be in line with World Trade Organization requirements.

According to the guest speaker at the BIR Stainless Steel & Special Alloys Committee meeting in Berlin, China was expected to double its stainless steel cold rolling capacity by 2007 while Central/Eastern Europe harboured 'terrific growth potential' for the consumption of cold rolled flat products. Jan Bender, Head of Sales Coordination at ThyssenKrupp Nirosta GmbH in Germany, went on to warn that stainless steel manufacturers were unable to pass on all of their raw material cost increases and that 'clients are beginning to look around for alternative materials'. Mr Bender acknowledged a 'boom' in 200 series stainless steel production in both India and China but suspected these materials would not offer 'real competition' for 300 series products in the longer term given their comparative corrosion resistance characteristics.

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