



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

#### **Plastics Committee: Prices under pressure**

The struggles of Western Europe's plastics recyclers were continuing to be reflected in capacity reductions, plant closures and even bankruptcies, BIR Plastics Committee Chairman Peter Daalder of Daly Plastics BV in The Netherlands informed the meeting in Berlin.

Prices of end products such as garbage bags, agricultural foil and wood substitute goods were under pressure while countries with low labour costs were able to pay more than recyclers in Europe for their plastics scrap. In Europe, the price of recycling granules was 'too low' with black LDPE, for example, trading at 50% or more below the virgin price compared to the normal differential of 25-35%.

The problems in Europe were also highlighted in other reports submitted to the Round-Table. Enrico Bobbio of Polieco confirmed that the Italian market had deteriorated since the previous BIR convention last Autumn. There was a lack of raw material on the domestic market while large volumes were being shipped from Europe to the Asian market. He called for action at EU level to tackle what he considered to be the indifference of plastics producers to mechanical recycling.

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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>

Spain was engaged mainly in recycling LDPE and so domestic mills were badly affected by the large volumes of scrap being shipped to Asia, according to market spokesman Marc Figueras. Greater protection was required for the country's plastics recyclers 'otherwise some of them will disappear', he contended. Many were 'really afraid' about their lack of material and their inability to raise prices.

According to Jacques Musa of Soulier in France, the European plastics recycling market was generally calm whereas the long-distance export market was 'full of promise'. He confirmed a very strong export demand for secondary polyethylene film, above all for the natural grade. 'Prices are very firm and demand is running ahead of supply, which is creating a certain amount of tension in the market,' he said. In his overview of the Indian market, Surendra Kumar Borad of Gemini Corporation NV in Belgium confirmed that the country's secondary raw material imports remained restricted. At the same time, India's polymer industry was experiencing 'double digit' annual growth rates, he said.

Guest speaker at the Plastics Round-Table in Berlin was Dr Thomas Probst, a plastics recycling expert within the Bonn-based bvse organisation. Focusing on the mandatory deposit scheme in his domestic German market, he argued that the scheme was creating 'winners and losers', with composite board packaging having gained ground while beverage cans had 'virtually vanished from the German market'. And he told the meeting: 'If we want to move ahead in plastics recycling, we need to have high-quality reuse. Therefore, we want to see mechanical recycling becoming more important.'

According to Dr Probst, the principle of free trade dictated that Germany's PET exports to China would continue despite the 'very different standards in operation'.

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*For further information please contact:  
Elisabeth Christ  
BIR Communications Director  
Tel: + 32 2 627 57 78  
e-mail: [bir@bir.org](mailto:bir@bir.org)*