



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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Paper Division: Asia vital for global recovered paper market

Based on the fundamentals of consumption and population growth, the increase in China's recovered paper imports was likely to prove sustainable, BIR's Paper Division was told in Berlin on 24th May by its President Dominique Maguin of Soulier, France.

The country had emerged as an industrial giant and a major importer of a range of raw materials - from steel and non-ferrous metals to soya and sugar, according to Mr Maguin. This 'phenomenon' had been the driving force behind price increases in many commodity sectors, although the speaker went on to question why the price of recovered fibre 'has not followed other raw material trends'. While there was plenty of demand for the industry's products, 'nobody here is entirely at ease with the value of our materials'.

Divisional Vice-President Ranjit Baxi of J&H Sales International Ltd underlined the importance of Asia as a whole to the global recovered paper market. The continent was responsible for importing some 15 million tonnes of material each year, with China leading the way on more than 7 million tonnes followed by Indonesia, South

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Korea and Taiwan on over 2 million tonnes, 1.3 million tonnes and 1 million tonnes respectively.

According to Mr Baxi, 'difficult' trading conditions since the previous BIR convention in Vienna had been compounded by: fluctuations in the US dollar and Euro exchange rate; increases in sea freight rates; pronounced upward and downward movements in US prices; a discontinuation of 'strong' Chinese orders following the country's New Year celebrations; and 'sizeable' exports from Japan to meet some of the demand in Asia.

The ability of Asia to influence the world markets was reflected in the US report from Michael Moulton, Vice-President of Koch Pulp and Paper Trading LLC. The domestic recovered paper market was 'fairly stable' for the moment but the return of Asian buyers could lead to demand outstripping supply and to 'upside' price volatility, he suggested.

Paper Division delegates also heard details of a new registration system to be introduced by China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). According to BIR's Director General Francis Veys, the latest information to come direct from AQSIQ confirmed that only those overseas companies registered as 'supply enterprises' would be allowed to export recyclables to China from July 1 onwards. To secure registration, a company would have to demonstrate appropriate approvals from authorities in its own country and to give details of materials regularly supplied and processes used. Applicants receiving a notice of acceptance would then be subject to an inspection procedure. Although BIR had asked AQSIQ to defer the July 1 deadline, Mr Veys still urged members to apply for registration as soon as possible.

Reporting for the European Recovered Paper Association (ERPA), its President Maarten Kleiweg de Zwaan of FNOI in The Netherlands noted that the Confederation of European Paper Industries (CEPI) had devised draft guidelines for responsible sourcing of recovered paper which covered, among other issues, collection, sorting, transportation, management systems and qualified suppliers. 'The ERPA board has decided that the above issues are matters which should not be regulated by the mills/CEPI but by our industry,' he said. Noting that ERPA would come up with its own guidelines by October, he added: 'We, as the recovered paper industry, should keep the initiative and not be told by the mills how to run our business.'

A guest presentation from Hubert Neuhaus of SITA Böhm GmbH pointed to the likelihood of a 'break with tradition' in 2006 within the German recovered paper market. He predicted that, after years of collection outstripping consumption, the two totals would come into line with each other during 2005 and consumption would then begin to move ahead strongly the following year.

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