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

Brussels, 4th November 2003

BIR Autumn Round-Table Sessions
Vienna, 27th-28th October 2003

Non Ferrous Metals Division:
China remains principal market driving force

With the recent announcement that tax advantages currently accorded certain non-ferrous consumers would end next year, the Chinese government had begun to act more in line with 'its responsibility as a major participant in international trade', according to the BIR Non-Ferrous Division's Senior Vice-President Robert Stein in his report submitted to the Vienna convention on Monday, 27th October.

Mr Stein accepted that many Chinese buyers were responsible in their trading practices. However, he also pointed to 'growing resentment' among US consumers and non-ferrous scrap processors that strong buying on the part of some Chinese operators was supported by business practices deemed unfair, and that this was ignored by the Chinese authorities.

Michael Lion of Sims Group/Lion Consulting Inc emphasized the importance of keeping the current commentary with regard to prevailing business activities in perspective and free of exaggerated generalisations, ensuring that BIR and its members always accord the Chinese government and its authorities the respect and civility due to it as a sovereign government in whose country we have the privilege not the right to conduct our business. He also noted that copper prices paid by China bore no relation to the LME or Comex and that, as a result, there were likely to be 'tears before bedtime'.

Other speakers too dwelt on the impact of China on the world non-ferrous metal markets, including divisional President Marc Natan of Malco SA, France, who suggested he had ‘never seen so much demand for quick shipment’ of copper and copper alloy scrap in particular. He went on to predict an average price for copper of US$ 1800 per tonne for 2004 ‘if producers don’t restart capacities and if the Chinese consumers remain insatiable’. Evidence of record surpluses convinced Mr Natan that aluminium would average around US$ 1430 per tonne in both 2003 and 2004, while US$ 550 and US$ 950 per tonne were his respective price average predictions for lead and zinc next year.

In summarising the Eastern European market, new board member Boris Bronneberg of Hüttenwerke Kayser AG in Germany suggested that Russia’s non-ferrous scrap export duties were having a ‘significant’ impact on traded volumes. ‘As a criteria for joining the World Trade Organisation, the export duties implemented by Russia - as well as all other protectionist measures - must be abolished,’ he argued.

An increasing legislative burden was threatening to ‘suffocate’ companies in the non-ferrous sector while some regulations - notably the ‘mammoth’ WEEE Directive - still had to prove their worth, according to Hans-Peter Münster of VDM, Germany, in his report on EU affairs. ‘Europe still needs a uniform policy on raw materials - we need security in planning and not more legislation that threatens our competitiveness,’ he insisted. And Mr Münster agreed with the contention of UK board member Michael Oppenheimer of Mountstar Metal Corporation that European scrap consumers were ‘struggling to compete with very strong prices and relatively cheap freight costs’ to the ‘insatiable’ Far East and Indian markets.

The global coverage of the BIR Non-Ferrous Division meeting was underlined by three further reports. Salam Sharif of Sharif Metals in the United Arab Emirates pointed out that the deconstruction and reconstruction of Iraq had ‘flooded’ the Middle East market with more than 100,000 tonnes of copper, brass and aluminium in less than four months, with a resultant adverse impact on scrap prices.

Reporting on the Southern Africa market, Mark Sellier of SA Metal Group in South Africa noted that Tanzania had introduced a ban on non-ferrous scrap exports in a bid to support its own ‘fledgling’ consumers. The South African government was also trying to implement export restrictions, mainly in response to duties on imports of secondary aluminium ingots which were allowing Asian buyers to ‘compete unfairly’ for his country’s scrap.

And in his report on the Asia Pacific region, Kumar Radhakrishnan of Sims Group Ltd in Australia spoke of higher demand for scrap - particularly copper-based alloys - and ‘resilience’ to ‘extraordinary’ buying prices in China and elsewhere.

The recent activities of Eurometrec were reviewed in Vienna by Bjorn Grufman of MV Metallvärden AB, Sweden, who suggested that the EU’s End-of-Life Vehicles Directive might require revision owing to the emergence of new shredder residue treatment technologies. Meanwhile, Eurometrec would investigate the possibility of group insurance cover for damage and costs relating to the handling and treating of radioactive scrap.

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