



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: Stainless steel capacity in a phase of expansion

Stainless steel capacity 'is still undergoing a phase of expansion' and production continues to increase at more than 7% per annum, the BIR Stainless Steel & Special Alloys Committee meeting was informed by its Chairman Sandro Giuliani of Italy's Giuliani Metalli-Cronimet Group. He added that Chinese demand remained the driving force for this production increase despite the existence of SARS, with figures from the country's Metallurgical Council indicating a 21% increase in imports of stainless steel products during the first quarter of this year.

However, speaking on May 27, Mr Giuliani pointed to 'a drop in orders and a decline in production compared to forecasts' over recent days, adding that it was too early to say whether this signalled a major shift in market trends.

Mr Giuliani noted that consumption in industrialised countries was 'showing no sign of recovery' and that this situation was having an adverse impact on scrap collection, while export restrictions imposed by the former Soviet Union were continuing to bite. Since 'scrap availability cannot fulfil the stainless steel production requirements', countries depending on scrap imports - such as those in Western Europe - would have to 'lower the scrap ratio', he contended.

The theme of increased production capacity was maintained by the guest speaker at the Oslo meeting. Jussi Yli-Niemi, production manager at AvestaPolarit Stainless Oy's steel melting shop in Finland, provided an update on his company's Euro 1 billion investment at Tornio, which would lead to what the speaker described as 'the largest single stainless steel production unit in the world'. By 2005, on-site melting shop and hot rolling capacity would both be around 1.65 million tonnes per annum while cold rolling capacity would reach 1.2 million tonnes. The VAI continuous

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caster installed last year had already achieved a 'new world record' speed of 1.7 metres per minute, Mr Yli-Niemi told delegates.

According to the speaker, the plant would be able to use a 'huge' 600,000 tonnes of stainless steel scrap each year. New dock facilities would enable five or six vessels to be received simultaneously while a railroad connection to Russia would also be 'very important', the speaker confirmed.

In the opinion of Barry Hunter of US-based Hunter BenMet Assoc., processor needs and availability of prime quality 18/8 scrap would effectively 'offset any downward price pressure expressed in LME nickel'. Operators of new and proposed melting facilities would look to secure 'major' supply commitments to 'assure even their minimum requirement of purchased scrap for a vastly increased production', he added.

In a report read out in Oslo by Mr Hunter, Stuart Freilich of Universal Metals Corporation in the USA suggested 2003 and most of 2004 would be 'trying times' for vacuum quality aerospace nickel alloys and especially for the titanium markets. Military spending would be an important factor while many of the world's large high-cost airlines would have to restructure their business model in order to survive. Mr Freilich concluded: 'The revert titanium industry, as we known it, is history and some American and European titanium producers will not exist in the future as they will not be able to compete with Russian and Chinese producers, who continue to make inroads into these markets.'

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