

PRESS RELEASE

Recent BIR World Recycling Convention & Exhibition in Berlin (30 May – 1 June 2016)

Plastics Committee:

Clouds and questions marks over Indian and Chinese scrap imports

Brussels, 6 June 2016

India's decision to ban plastic scrap imports had left the market "in limbo" and was likely to result in substantial job losses, not least among those of the country's recycling units which relied on supplies from overseas, according to BIR Plastics Committee Chairman Surendra Patawari Borad of Gemini Corp. NV in Belgium. "This is very sad," he told delegates at the Committee's meeting in Berlin on June 1. "We hope that India will reconsider its decision of placing plastics scrap in the hazardous goods category."

News of the ban was published in the Indian Gazette on April 4 this year and BIR duly informed its members of this development. However, the regulations were not enforced until late May, according to Mr Patawari Borad. "All goods which were loaded before April 4 are being customs-cleared," he explained. "The goods which were loaded after April 4 will be allowed to be unloaded, but the importers cannot process them until further instructions are given."

Plastics scrap availability in Europe "has increased tremendously" and prices had duly declined, Mr Patawari Borad also pointed out to delegates.

The threat of a plastics scrap import ban in China was addressed by Dr Steve Wong of Fukutomi Co. Ltd, who is Executive President of the China Scrap Plastics Association. He said a ban was unlikely in the near to medium term, not least because of the need to gain multi-department approval for such a measure. At the same time, however, the Chinese authorities were targeting for closure those factories that failed to meet environmental standards designed to protect air, soil and water against pollution.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

Reporting for Europe, Marc-Antoine Belthé of Veolia Propreté anticipated a relatively stable market in June against a backdrop of “very consistent” and “resilient” demand for recycled plastics.

Guest speaker Stephan Schwarz, Head of the ALBA Group’s Plastics & E-Waste Business Unit in Germany, spoke of the need for a flexible business approach to tackle “regulatory volatility”. In a presentation entitled “Opportunities and challenges in plastics recycling”, he also forecasted increasing demand for recycled plastics into the future.

Fellow guest speaker Thorsten Diephaus of Panalpina Welttransport (Deutschland) GmbH focused on the role of logistics in the recycling business. He anticipated “huge” operating losses for most carriers this year and also further cost reduction programmes, as well as the possibility of new, additional surcharges and of shipping rate increases at some point in the near future. Interest in “waste” commodities might differ significantly from carrier to carrier based on achievable rate levels, he added.

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