Recent BIR World Recycling Convention & Exhibition in Rome (30 May – 1 June 2012)

Ferrous Division:

Restrictions on scrap exports "alarming"

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International trade is "far from free" given that an estimated 19% of the world's iron and steel scrap exports in value terms could be said to be subject to restriction of some sort, the BIR Ferrous Division was told by guest speaker Barbara Fliess, Senior Economist in the Trade & Agriculture Directorate of the OECD.

Scrap-related export restrictions - in the form of bans, taxes and licensing requirements among others - "are being used more often around the world", she said. An OECD inventory has already identified 30 countries which impose such measures on iron and steel scrap. And she insisted: "The ideal situation would be free trade in most circumstances."

Ferrous Division President Christian Rubach of TSR Recycling in Germany described the issue of export restrictions as "alarming". EFR President Tom Bird of Van Dalen Recycling in the UK told a subsequent panel discussion that efforts to limit scrap exports were at once "very dangerous" and unnecessary. "There is ample scrap in Europe for domestic steelmakers," he declared.

William Schmiedel, President of Sims Global Trade at Sims Metal Management Ltd in the USA, told the same discussion that additional electric arc furnace capacity in Russia and the Ukraine would attract scrap that would otherwise have gone to Turkey; however, he believed other countries would be able to ensure that Turkey was kept adequately supplied.

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Also on the panel in Rome were: Ruggero Alocci, Managing Director and owner of Alocci Rappresentanze Industriali in Italy; Ronobir Roy, General Manager at ArcelorMittal; and Maurizio Calcinoni, Vice President of Italian steelmaker Arvedi SPA. The discussion was moderated by Tim Hard, Director of The Steel Index in the UK.

Earlier, in delivering the market report for Europe, Mr Bird had described conditions in the first five months of 2012 as “challenging” but insisted that demand for scrap out of Europe remains “strong”. High levels of demand were evident from Turkey where even more scrap-consuming capacity was scheduled to come on stream, he added.

New mill investments in the Ukraine will create a demand for around 4m tonnes of steel scrap per year but “this quantity is simply not available”, it was argued by Andrey Moiseenko of Ukrmet Ltd in his Russia/Ukraine report. Meanwhile, Zain Nathani of the Nathani Group of Companies in India predicted “flat” scrap imports into his country because of increased domestic shipbreaking activity.

Japanese H-2 grade scrap prices will remain range-bound between Yen 29,000 and 30,000 per tonne (US$ 362.50-375) on a fob basis for the next couple of months “unless there is a big movement in the exchange rate of the US dollar versus the Japanese yen and Greece withdraws from the Euro”, observed Hisatoshi Kojo of Metz Corporation in his market report on Japan.

Blake Kelley of Sims Metal Management in the USA contended that the world was on course to produce 21m tonnes more steel this year but would apparently consume 5m tonnes less purchased scrap. And on the theme of global statistics, the third edition of the BIR Ferrous Division’s “World Steel Recycling in Figures” publication was launched in Rome, with Statistics Advisor Rolf Willeke highlighting the fact that global steel scrap use as a raw material for steelmaking increased to a new record of around 570m tonnes in 2011. In addition, steel scrap purchases by steelworks worldwide advanced to an all-time high of 370m tonnes.

In the subsequent BIR Shredder Committee meeting in Rome, four guest speakers talked about latest developments within their own companies relating to emission abatement equipment. US-based Jim Schwartz of Metso Lindemann anticipated a gradual trend towards enclosed shredders because of particulate/noise emission and safety gains. UK-based Tim Christian of Danieli Lynxs spoke of a new customer installation - scheduled for this summer - involving total housing of the operation inside a building with only a single point of discharge to atmosphere for all process air.

Herbert Zimmermann of Keller Lufttechnik in Germany spoke about an emission reduction system that is being retrofitted to a shredder in the Benelux region. This is capable of keeping fine dust well below statutory limits and of cutting emissions of polychlorinated biphenyls by up to 99%, he said.

“Modern shredding plants are not operating as efficiently as they can if they do not have a computer control system,” contended Scott Newell of The Shredder Company in the USA. “The use of a Smart Water System will minimise problems with explosion and will provide the most advanced emission controls at this time with minimum investment that will do the job.”

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