

## PRESS RELEASE

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### *Recent BIR World Recycling Convention in Barcelona (29-30 October 2012)*

#### ***Textiles Division:***

#### **Margins under pressure as originals prices soar**

**Brussels, 02 November 2012**

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The originals market has become “a tough struggle” for recyclers as prices reach a “zenith”, according to BIR Textiles Division President Olaf Rintsch of Textil Recycling K&A Wenkhaus GmbH of Germany. The end result for many companies, he suggested at the Textiles Round-Table in Barcelona on October 29, could be “shorter working times” and even “an early Christmas”, adding that the onset of winter weather would make conditions yet more difficult for the trade.

The Italian market report submitted by Sauro Ballerini also spoke of originals prices rising seemingly “without limit” while the UK market review delivered by the Textile Recycling Association’s Alan Wheeler also recognised that trading conditions are becoming “increasingly difficult”. But despite the fact that businesses are “struggling”, prices have not suffered as much as perhaps might have been expected in the UK - partly because “people are continuing to enter into the industry because they think they will make a quick profit” and often “do not have a clue” how much the clothing and textiles are worth, Mr Wheeler remarked.

The main challenge in Belgium is to find enough original material to keep sorting plants running full-time, said Pol T’Jollyn of NV Recutex. Most companies do not have sufficient stock to see them through the coming winter and so the price of originals could escalate to the point where no margin is left, he suggested in Barcelona.

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**BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS**

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Similar themes emerged from the international report prepared by the Textiles Division's Honorary President Klaus Löwer of Germany-based Hans Löwer Recycling GmbH. He confirmed difficult conditions for US textiles sorters as well as a doubling of prices for originals in Japan.

In France, where collection volumes have been 12-15% lower during the second half of this year than in the corresponding period of 2011, the incidence of thefts of containers or of their contents has continued to rise, stated the Textiles Division's Vice President Mehdi Zerroug of Framimex. At the Barcelona meeting, the continuing theft of containers was also lamented by Mr Rintsch.

Germany's textiles recyclers are grappling with burdensome issues that do not apply to the rest of Europe, contended Michael Sigloch of Gras & Sigloch GmbH & Co. For example, companies are being asked to comply with registration requirements which, he argued, are "tantamount to espionage".

The differing legal status of textiles "waste" within Europe was also highlighted at the Round-Table in Barcelona. For instance, some countries consider clothes deposited in collection banks as "waste" whereas others do not. This proliferation of different rules and regulations "means it is difficult to make it all work", argued Mr Rintsch.

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