

## PRESS RELEASE

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### *Recent BIR World Recycling Convention & Exhibition in Singapore (19 - 22 May 2019)*

#### ***Ferrous Division:***

#### **Using more scrap in steelmaking is an environmental “no-brainer”**

**Brussels, 24 May 2019**

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There are different technological pathways to reduce carbon dioxide emissions in steelmaking but the best option is “to maximise the use of scrap” such as through switching to the electric arc furnace (EAF) production route where possible, according to Dr. Ir. Steven Vercammen, Senior Knowledge Expert at worldwide management consulting firm McKinsey & Company.

Using more scrap is a “no-brainer,” he declared in his guest presentation to the BIR Ferrous Division meeting in Singapore on May 21. “It’s the most efficient and easiest way to go without making too much investment.” Raising the EAF share of world steelmaking to 40% would cut global carbon dioxide emissions by 400 million tonnes per annum, he added.

The historic surge in steel demand will give “a big push” to obsolete scrap availability over the coming decades, Mr Vercammen also told the first BIR Ferrous Division meeting to be chaired by its new President, Gregory Schnitzer of US-based Schnitzer Steel Industries Inc.

Beginning a series of national and regional market updates, a report submitted by George Adams of SA Recycling identified a slowing of scrap flows into dealers’ yards across the USA that is expected to support prices heading into June. Meanwhile in Japan, an increase in steel stocks owing to construction project delays has removed the urgency for domestic EAF mills to procure scrap, explained Hisatoshi Kojo of Metz Corporation. As for Taiwan, Autumn Barnes of Sims Metal

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Management Global Trade Corporation reported that the country's steel scrap imports are being affected by current price levels.

Despite "volatile" prices, India, Pakistan and Bangladesh have been providing a good demand for steel scrap which is "expected to continue for the rest of the year", according to Zain Nathani of India's Nathani Group of Companies. The Indian Sub-Continent's strong buying interest was also confirmed in the European market report delivered by Torben Nørgaard Hansen of Denmark-based H.J. Hansen Recycling Industry Ltd AS. Also from the European perspective, Shane Mellor of UK-based Mellor Metals lamented that Brexit is continuing to create "many distortions and uncertainties" as well as a "frustrating lack of confidence".

Presenting the key findings of the 10th edition of "World Steel Recycling in Figures", Rolf Willeke noted that China's domestic steel scrap usage had continued to grow at a rapid pace last year, soaring 27% to 187.8 million tonnes from 147.9 million tonnes in 2017. The BIR Ferrous Division's Statistics Advisor attributed this steep growth to the government's stricter pollutant emission standards which have driven basic oxygen furnace mill operators to boost their crude steel/scrap ratios to an average of around 25-30%. With many new electric furnaces either installed or planned, the overall impact will be further investments in steel scrap processing - and "especially in shredder capacity", stated Mr Willeke.

Among the many other statistical highlights, Mr Willeke pointed out that Turkey remained the world's leading steel scrap importer last year despite a 1.5% drop in its overseas purchases to 20.66 million tonnes while the leading exporter was the EU-28 with a year-on-year increase of 6.7% to 21.436 million tonnes.

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