

## PRESS RELEASE

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### *Recent BIR World Recycling Convention (Round-Table Sessions) in Amsterdam (24-25 October 2016)*

#### ***Non-Ferrous Metals Division:***

#### **“Resilient” recyclers can “reinvent” themselves**

**Brussels, 26 October 2016**

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Falling commodity prices, reduced scrap availability, uneven manufacturing growth, high regulatory costs and reduced overseas demand are just some of the challenges that have forced a restructuring of the scrap industry in the USA, pointed out Mark Lewon, President of Utah Metal Works and Chair of the US Institute of Scrap Recycling Industries, at the BIR Non-Ferrous Metals Division meeting in Amsterdam on October 24.

After three difficult trading years in a row, Mr Lewon said the industry is unlikely to return to its previous state - “but we can reinvent ourselves”, he insisted, because “recyclers are resilient”. He urged companies in the sector to focus increasingly on safety, operational efficiency, quality and product diversification.

As part of a guest presentation and subsequent panel discussion, the latter being moderated by Jurgen van Gorp of Metallo-Chimique NV, Belgium, Mr Lewon also insisted that free trade in recyclables “is absolutely a necessity for our industry”.

While China is still driving global commodity markets, Mr Lewon alluded to “a real narrowing” of the types of scrap in which the Chinese are interested. Fellow guest speaker and aluminium specialist Holger Ellmann, founding partner of Argentum Metal Management, contended that Chinese producers have been exercising greater discipline - particularly when prices collapsed in late 2015/early 2016 - and have been quick to implement changes with their “swing capacities”, helping to create “a more balanced market situation”. However, idled capacities - “mainly in China” - will ensure “a natural limit on the potential of more significant price rallies”. Mr Ellmann also argued that current LME prices and reduced premium levels will continue to put high-cost aluminium smelter operations in the USA and Europe “at high risk”.

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

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In other developments relating to China, Alexandra Weibel-Natan of Manco in France highlighted the Chinese government's apparent desire to open up the pre-shipment inspection market to competition in a move which should reduce costs and therefore bring "benefits for raw material suppliers". On the downside, her review of global non-ferrous markets also spoke of "challenging" conditions worldwide and the re-emergence of payment delays as a significant issue.

The scale of the development and modernisation of the London Metal Exchange over the course of many years was outlined by the BIR Non-Ferrous Metals Division's final guest speaker Christian Schirmeister, who is senior member of the Client Liaison team of Amalgamated Metal Trading in the UK. He concluded his presentation by observing that the Brexit vote and the upcoming elections in the USA and Germany have combined to create a "wait-and-see" situation in the markets that is "the worst for all of us".

The meeting in Amsterdam, which was chaired by divisional President David Chiao of the Uni-All Group in the USA, also featured the awarding of a BIR Certificate of Merit to Manfred Beck, founder of leading industry magazine Recycling International, on the occasion of his imminent retirement. The accolade recognised his lifetime of achievement in trade journalism.

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