

PRESS RELEASE

Recent BIR World Recycling Convention in Paris (27-28 October 2014)

Paper Division:

Chinese fibre imports to fall around 3m tonnes this year

Brussels, 30 October 2014

"The economic barometer in many parts of the world is continuing to go down," lamented BIR Paper Division President Reinhold Schmidt of Recycling Karla Schmidt at the divisional meeting in Paris on 28 October 2014. At the same time, the paper recycling sector was confronted with over-regulation, increased protectionism, lower margins, ever-louder demands for higher fibre quality and a slowdown in the key importing market of China.

Indeed, Paper Division Honorary President Ranjit Baxi of J&H Sales International suggested Chinese imports of recovered fibre could drop as much as 12% this year to around 28m tonnes after having totalled 31.65m tonnes in 2013, thus creating a need to "find a home" for the balance. The same speaker also called for fibre suppliers to tailor their quality to satisfy the needs of consumers "rather than asking mills to adapt to suit the product we produce".

Regionalised reports for the European market highlighted supply issues. In his comments on Eastern Europe, Jaroslav Dobes of Remat SRO said a 2.5% decline in the Czech Republic's fibre collection volumes had meant "no stocks are being built". And Merja Helander of Lassila & Tikanoja Plc observed that the quantities collected in parts of Southern Europe during the summer had been "extremely low".

In Northern Europe, by contrast, "generally stable" market conditions had been reported for the second half of the year to date, according to Lars-Gunnar Almryd of IL Recycling AB. An increase in exports to Poland and Germany from the south of Sweden had affected availability for local mills in only a minor way "because collection has continued to grow", he noted.

In lieu of a Western European report, Sébastien Ricard of Paprec provided an overview of the French market, where prices have been "relatively stable", while also charting the steep growth of

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the company for which he works. During a discussion of the negative impacts of shorter-term contracts, Paprec's founder Jean-Luc Petithuguenin said that he always attempted to convince clients, including municipalities, to grant longer contracts "to give us time to invest and to amortise the investment". Despite the advantages of such longer-running arrangements, the trend was towards shorter terms at present, according to Mr Schmidt.

A guest presentation from Dr.-Ing. Christina Dornack, who is Head of the Raw Materials and Recycling Department at Papiertechnische Stiftung in Germany, underlined the need for paper sorting facilities to change. "'Business as usual' won't work for most plants in the long run," she insisted. Facilities of the future would "maximise productivity through extensive automation" and would clean the recovered paper while pursuing "economically viable ways of dealing with the residue".

In her role as the newly-reappointed President of the European Recovered Paper Association, Ms Helander welcomed the formation of the European Recycling Industries' Confederation (EuRIC) - a body that would enable the interests of Europe's recycling industries to be promoted with "one voice" in Brussels.

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