

PRESS RELEASE

Recent BIR World Recycling Convention (Round-Table Sessions) in Prague (26 - 27 October 2015)

Plastics Committee:

“Silver linings in the grey clouds” for plastics

Brussels, 30 October 2015

Although volumes, prices and confidence are all down, BIR Plastics Committee Chairman Surendra Patawari Borad of Belgium-based Gemini Corporation NV still spied “some silver linings in the grey clouds” for plastics recyclers.

Addressing the committee’s latest meeting in Prague on October 26, he pointed to “huge” drops in sea freight rates and therefore “lots of opportunities for geographical arbitrage”, noting in particular the possibility now of importing from the USA into Europe. He also asserted that “the quality of scrap has improved tremendously” in recent years, and that increasing awareness and pressure on producers to increase their usage of reprocessed and recycled materials were creating more demand and opportunities.

Specifically with regard to leading outlet China, Mr Borad confirmed that its plastics scrap imports had “come down sharply”, with the total of 3.58m tons for the first six months of 2015 comparing to 8.45m tons for 2014 as a whole. “We expect the downward import trend to continue,” he added.

In reviewing the Chinese market in more detail, Dr Steve Wong of Fukutomi Co Ltd said that plastic scrap prices had dropped by more than half in some instances, with even some negative prices in evidence. But on a brighter note, the Executive President of the China Scrap Plastics Association added that “lots of opportunities” would await those companies surviving the current crisis, especially those prepared to embrace greater automation and innovation in their operations.

BIR – REPRESENTING THE FUTURE LEADING RAW MATERIAL SUPPLIERS

US exports of plastic scrap/waste to China had plummeted 42% year on year in August, with the decline for PET reaching 55%, according to Mr Borad. The outlook for US overseas shipments “does not look very promising” whereas the domestic market was offering regular and decent demand for scrap. Plastic scrap conditions had been “relatively stable” in India, he added, although the PET market had declined “substantially” of late and was expected to remain “subdued” for the rest of the year.

In the report on the French market submitted by Marc-Antoine Belthé of Veolia Propreté, dramatic recent price falls were noted for many forms of plastic scrap - including a drop of Euro 80 per tonne between September and October for washed PET bales. Customers were generally adopting a “wait-and-see” approach and postponing orders, he added.

PET was also the focus of the guest presentation from Dr Li Shen, Assistant Professor at Utrecht University’s Copernicus Institute of Sustainable Development in the Netherlands. Based on a scientific comparison of systems with and without recycling, she concluded: “Mechanical recycling, semi-mechanical recycling and chemical recycling all showed benefits compared to the virgin system. All approaches show that recycled (PET) fibre has a really substantial environmental benefit in terms of primary energy demand and carbon footprinting, and provides a lot of savings.” The results of her research had been shared with the European Commission, she pointed out.

Fellow guest speaker Manuel Burnand, Director of Environment and Development at Derichebourg in France and the new Chairman of the BIR Shredder Committee, turned the spotlight on to plastics in automobile shredder residue (ASR). Sorting of these plastics remained “difficult” but “technically possible” with high levels of investment in advanced post-shredder treatment plants. Although he expected the volumes of plastic sorted from ASR to increase in the future, he suggested these may be limited to some “easily sortable” grades unless new technologies came on to the market.

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