

PRESS RELEASE

Recent BIR World Recycling Convention in Warsaw (28-29 October 2013)

Paper Division:

Import controls not exclusive to China

Brussels, 31 October 2013

In his first meeting as President of the BIR Paper Division, Reinhold Schmidt of Recycling Karla Schmidt in Germany emphasised the host of diverse factors to have impacted the markets of late, including overcapacity among graphic paper producers; China's "Green Fence" import quality controls; the slowdown in China's economic growth; and the Euro crisis. He added to this list over-regulation of the recycling markets and damaging examples of protectionism.

Addressing the same meeting in Warsaw on 29 October 2013, Mr Schmidt's predecessor as divisional president - Ranjit Baxi of J & H Sales International in the UK - also highlighted the presence of protectionism, pointing in particular to the negative effect of delays for exporters through "excessive" documentation demands and random spot inspections at the point of export in Europe. The same speaker also underlined that China was not alone in imposing import quality controls: for example, major recovered fibre buyer India had issued as far back as 2010 a list with many of these specifications being stricter than those currently enforced by China.

On the issue of regulation, Merja Helander of Lassila & Tikanoja in Finland pointed out that progress had been achieved through the European Commission and Council of Ministers by the regulation setting end-of-waste criteria for recovered paper. In her role as President of the European Recovered Paper Association, she urged all interested parties to push for agreement with the Council proposal for end-of-waste by the European Parliament - something which, she said, would bring smart regulation to the EU paper recycling industry.

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Earlier, Ms Helander had been joined by Paper Division Past President Dominique Maguin of France, Lars-Gunnar Almryd of IL Recycling in Sweden and General Delegate Thomas Braun of Germany's BVSE in reviewing latest recovered paper market conditions across Europe, with declining collection volumes emerging as a common theme. Mr Baxi, meanwhile, observed that US recovered fibre shipments to China had increased around 30% from the first half of 2009 to the same period this year; however, the same comparison revealed a drop in European exports to the same destination of approaching 12%.

The first of two guest presenters, Bill Moore predicted that US and Canadian demand for ONP/OMG would slide from 4.82m tonnes in 2010 to 3.49m tonnes in 2016, with the President of US-based international consulting firm Moore & Associates going on to label ONP as "a disappearing grade" in the USA. North American consumption of OCC and Kraft would be far more stable, rising from 19.01m tonnes to 19.43m tonnes over the same period, he added.

Ilpo Ervasti, Senior Advisor at the Finland-based Indufor Oy independent consultancy specialising in forestry and forest industry development, spoke of the "chaos" afflicting recycling-related terminology in the paper and board industry. The 365 trade grades identified globally were "partly overlapping" and "not well-defined", underlining the need for "one uniform, global system for paper-related terms and variables" in order to "enable comparisons between regions".

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