

Bureau of International Recycling



Annual Report 2003

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Annual Report 2004

■ As the new President of our organisation, I would like to start my first annual report by greeting all of our members, including those from the 10 countries joining the European Union on May 1 2004. My first six months as President of BIR have been extremely busy but at the same time very rewarding. At the end of this short period, which was necessary to help me acquaint myself with my work colleagues, I first of all wish to thank all my fellow officers, members of the Advisory Council, our Director General and our very efficient Brussels staff for all their help and excellent work dedicated to the furtherance of our organisation. Last but not least, I want to offer my heartfelt thanks to all our members for their contributions and support offered at our two conventions in 2003. For those who were unable to attend, I hope to have the honour of meeting you at our forthcoming conventions.

■ Two wonderful European cities - Oslo and Vienna - hosted our conventions in 2003. Special mention goes to Vienna as the bridge between old and new Europe following the enlargement of the European Union. I sincerely hope that the efficient industries and technologies of these new member countries will gradually be put to the benefit of the European Union as a whole, and that continuous improvements and capacity expansions will enable the enlarged EU to remain a solid, competitive business force capable of meeting global challenges.

■ Given that the attendance at both of last year's BIR conventions was very high, I am really pleased to see that our members are

satisfied with our choice of locations. This reconfirms the validity of our organisation and the fact that BIR is considered to be the world's leading trade association for recyclables, with the principal aim of defending the interests of its members worldwide. Our association looks to promote business by bringing together people and organisations from all over the world and enabling them to express their opinions freely. Delegates attend our conventions and increase their understanding of international trade by meeting fellow countrymen or colleagues from other parts of the world to discuss and exchange information, share contacts, explore new sources and expand relationships that could last for years.

Our members are involved mainly in trading raw materials destined for consuming plants throughout the world. Free and fair trade is of vital importance to all the people involved in this chain, whether they are buying or selling, importing or exporting. It is essential that these transactions are not subject to hindrance or use of improper methods to gain a competitive advantage.

It is impossible to talk about international trade today without mentioning China. This enormous country achieved industrial production growth of almost 17% in 2003, helped by booming exports and by the undervalued yuan, which is pegged to the US dollar at the 1994 rate of exchange. China can also count on soaring domestic demand, massive public investments and very strong private consumption.

China is a world leader not only in terms of the production of

steel, non-ferrous metals and other goods, but also as a consumer of these same products. The country's authorities have expressed great interest in the recycling of paper and metals, and an International Metals Recycling Forum was organised in Guangzhou last November as part of their bid to acquire international experience in this field. BIR was invited to participate and some of our members - including our Director General and the presidents of BIR's Ferrous and Non-Ferrous Divisions - gave presentations on different subjects proposed by the Chinese authorities which organised the event.

On another topic, BIR's various committees are studying new initiatives which will go forward for further discussion and be submitted to our members for approval. I have also endeavoured to re-establish our New Projects Committee, which is working hard on various proposals covering a number of activities of great interest to our members. The experts on our By-Laws Committee are elaborating new proposals and suggestions regarding technical changes to be made to the present by-laws, which are in need of modernisation and updating. Obviously, these will be presented to our members once the Executive Committee has given its consent to the proposals.

Our young members have been developing their role with great enthusiasm and this compact group is gradually becoming more involved in all major BIR activities. Other young recyclers are being encouraged to join their group and enjoy the resultant benefits, such as increasing their knowledge of the recycling trade and developing international contacts.

At our most recent convention in Vienna, the round-table sessions aroused great interest among members and guests alike. In analysing legislative developments on scrap and waste, speakers at the International Environmental Council highlighted a number of key issues, including latest shipment proposals, the important role of traders within our industry, problems relating to

the partial dismantling of ships, national definitions of waste, radioactive contamination of scrap, and many other subjects of relevance to our trade.

The Vienna convention also confirmed the optimism evident in the early part of the year, particularly in relation to the ferrous, stainless steel and non-ferrous markets. Prices of these materials have been continuously on the increase, helped by strong demand from China and countries in the Far East. Quotations for some leading non-ferrous metals have been rising on the back of figures suggesting raw material supply falling short of producer requirements.

The optimism apparent in the three metal divisions mentioned above was less evident in the paper, plastics, textiles and tyre segments of our world organisation. I sincerely hope for a recovery in market prospects in time for my next report to members.

Our campaign to attract new members has been proceeding satisfactorily. A new Ambassadors Committee - comprising prominent industry people in all the major countries and regions of the world - has been established to expand the assessment of new members. The majority of these Ambassadors are new but have accepted their assignment with great enthusiasm, and so we hope their efforts will quickly yield positive results.

I salute all BIR members around the world and would like to re-state my pride at having been elected as your President. I look forward to getting to know you better over our next few conventions and to welcoming new members to our international trade association.

I hope to see all of you in Berlin this May.

Fernando Duranti
BIR President



■ The year 2003 was a very important one for our world federation. In May, BIR celebrated its 55th birthday at the Oslo Convention and appointed its 19th world president, Fernando Duranti of Leghe & Metalli in Milan. He is the very first Italian selected by his peers to be formally elected by the General Assembly. Year after year, our leaders have brought something new and original to our world organisation. Each president has personally contributed to shaping the BIR of today through his new ideas and programmes.

Obviously, a major change occurred more than ten years ago when BIR decided to restructure itself in order to meet new challenges facing the industry. BIR took the decision to open its doors to all types of operators directly or indirectly interested or involved in materials recycling. This meant that the entire chain of supply would be represented within the organisation and would be invited to share their expertise on how best to advance recycling while respecting international environmental legislation.

Today, BIR has members in more than 50 countries and all the major players engaged in ferrous, non-ferrous, paper and textiles recycling are part of our group. How many governmental bodies, media organisations and non-industry experts are now

aware of the long existence of our international organisation - the only body, indeed, whose aim is to represent and promote recycling at a world level?

But a lot has still to be done. The world is changing quickly and we must adapt to all the challenges thrown up by, for example, emerging markets and new environmental legislation. BIR's new president has decided to build a team of experts within the Advisory Council to help him address these changes.

BIR is 55 years old. It can either accept its age and allow itself to drift 'out of the game', or it can forge ahead and take new initiatives. I know that all businessmen will choose the second option. As a professional and responsible organisation, we will therefore continue to develop programmes and activities that offer our worldwide membership not just a forum in which to meet twice a year, but also an efficient structure and an ideal framework for their businesses. Information on the different regional markets and on legislative matters, as well as data on new technologies, will be supplied to our members.

Although BIR is there to carry out the instructions of its membership, any trade organisation has a duty to show their members the pathway to the future. BIR must share with its membership the policy decisions that legislators may still impose

on the recycling sector. BIR must be proactive and educate its members to help them stay the best and most qualified operators in the recycling field.

BIR members should consequently be proud to wear our logo. It is a symbol of good practice and quality service in recycling. It is like a certificate of quality.

In May 2004, we will be meeting in Berlin while London will be the venue for our October convention. These two events will again offer our membership an ideal opportunity to learn more about the international recycling markets and to prepare a strategy together with all major players.

I would like to take the opportunity to ask all our members to share with BIR's Brussels office any ideas regarding our convention programme and also our day-to-day activities. Our joint future depends to a great extent on the concrete contributions to BIR of our member federations and companies.

Francis Veys
BIR Director General





BIR's 2003 conventions in Oslo and Vienna attracted a great turn-out of members and generated some excellent discussion. This coming year, we plan to place the spotlight on our regional delegates, encouraging more in-depth reporting of information and analysis. In particular, we anticipate a continuing and increasing emphasis on the growth of markets in China and the former CIS countries. We expect this quality and quantity of information to be of great value to all members. In part due to this significant growth, we are also seeking to encourage additional participation in BIR activities from members in this region, as well as to identify potential new BIR leadership.

It now seems like a long time ago, but just a couple of years back the scrap industry was facing the worst market conditions - domestically or globally - in probably 30 years. We had to work hard to find a customer for any of the scrap. In just a short time, we have gone from the worst of the worst to what some see as the best of the best, with record demand and record prices for scrap.

Simply put, demand is up, up and up.


In terms of US domestic steel demand, mill production averaged close to the 80% capacity level in 2003. Meanwhile, US ferrous scrap export volumes hit a decade high in 2003.

While this turn-round can be explained in part by a global and US economic rebound, clearly the major impetus for the drama-

tic chain reaction of events is China. Since August 2003, we have witnessed a surge in raw material flows to China, including iron ore, coal, coke, scrap metal and a variety of other products including foodstuffs. In terms of Chinese steel production, there has been a dramatic rise from some 129 million tons in 2000 to 217 million tons in 2003 - an additional 88 million tons of steel requiring dry bulk ocean carriage. Needless to say, this created an immediate demand and spiralling freight rates for Capesize and Panamax vessels, and subsequently for Handymax and handy-sized vessels. In terms of US dollars per ton carriage, rates off the US west coast went from the high teens to the mid-forties. This surge in Chinese demand for raw materials and demand for freight carriage simply caused a huge chain reaction in the marketplace.

Despite a slowly-recovering US economy and increased steel consumption, we didn't see a dramatic return of steel imports. The weak US dollar, spiralling ocean freight rates and improved steel consumption around the globe have helped to support the increase in US steel mill production serving US markets. Meanwhile, foreign steel has maintained more of a strategic rather than a dumping presence in the US.

There has been growing discussion of overseas buyers of US scrap putting ferrous scrap into ocean containers for export, destined particularly for China. This is seen as particularly beneficial for shipping containers that normally return 'empty' to Asian markets and helpful in paying some of the freight for the voyage. Generally, this appears as a small proportion of overall



US scrap exports. Offering to pay top export price, this activity has empowered domestic US yards to demand the same export price as a deep-sea bulk purchaser.

Serving buyers from small mills located away from port areas or from where normal bulk carriage is most economical, this market segment is serving a niche that can be sustained for a period of time. Among the long-term questions, however, is whether the 'empty' rate will stay artificially low for an extended period. Also, who is ultimately responsible for covering the costs of damage to containers which can occur during loading, unloading or discharge of the container - the ocean carrier, the container owner, the shipper or the broker?

In terms of future market trends, some observers are forecasting that US production will roll up a further 6 million tons in 2004 and that steel import volumes will also increase to meet gentle US economic growth. Six months ago, the price of scrap off the US west coast was in the US\$ 150 per ton range. Today, we are clearly around US\$ 250 per ton, with US\$ 300 per ton not impossible in the future.

While many will say we are experiencing a scrap shortage, this is true only in the sense that the scrap is in dealers' yards today and that these dealers are sitting on the material until the last possible moment in order to squeeze an additional upward price adjustment from their inventory.

However, there is an emerging and significant lobbying effort by some domestic US steel consumers and steel mills seeking government intervention in the scrap market through some form of controls on scrap metallic exports. For such an effort to occur, it would require findings of significant harm to domestic interests.

During 2004, we expect US steel mills to continue slowly to increase production, to raise capacity and to achieve higher prices for the finished new steel they sell to US steel consumers (including newly-instituted 'surcharges' for scrap and other raw material cost increases ranging from US\$ 20 to 100 per ton of finished new steel product). Overall, some industry observers feel there will be a rise in US steel consumption this year.

Meanwhile, some expect Chinese steel production to increase by 30 to 35 million tons during 2004! With the continuing strength of the Euro and European steel demand, as well as stronger growth in steel consumption and production in other countries such as India, we anticipate strong and increased global demand for US scrap exports during 2004 at higher prices.

Robert W. Philip
President of the Ferrous Division





For over nine months, the international economic and political environment did not favour the raw materials markets and we were seeing decreasing volumes, low prices and weak margins. Fortunately, the final quarter of 2003 gave us reason to hope for a better future and for an exceptional 2004.

Last year was dominated by the Iraq war, the rebuilding of the country and terrorism. In March, SARS created uncertainty in China while the subsequent nuclear crisis in North Korea, the explosive atmosphere in the Middle East and political instability severely damaged the prospects for economic growth.

All the people involved in the non-ferrous metals sector - from the miner to the recycler - lived through a dull, featureless year.

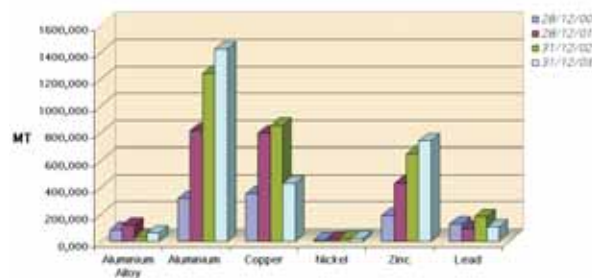
To open our May convention in Oslo, the Non Ferrous Metals Division organised a symposium on aluminium. The day was structured into four sessions during which 17 highly-qualified speakers gave presentations. Among the subjects raised were the strategic importance of aluminium, production and recycling channels, financial cover and sorting methods, plus industrial uses of the metal. BIR has produced a CD-ROM of the event which is available on demand from the Brussels secretariat.

During the plenary session, the focus fell on China: Hans-Gerhard Hoffmann of Hüttenwerke Kayser denounced Asian protectionism which threatens European refiners, while Robert Stein considered this market to be a new challenge for recyclers.

A workshop on China's commercial policies and regulations reflected the results of the meeting in late 2002 between a BIR delegation headed by Francis Veys and Chinese government authorities.

Last October, the Non Ferrous Metals Division meeting in Vienna featured an international round-table during which the market impact of China was discussed, as well as the resentment caused among American and European consumers by damaging commercial practices. The accent was put on export taxes on metal from Russia, while the lack of uniformity in European regulations was also criticised. In the Middle East, the market was flooded by material arising from the destruction and reconstruction of Iraq. Bjorn Grufman reported on work carried out by Eurometrec in relation to new European directives on the further treatment of end-of-life vehicles and to insurance cover for handling and treating radioactive contaminated metals.

METAL STOCK EVOLUTION

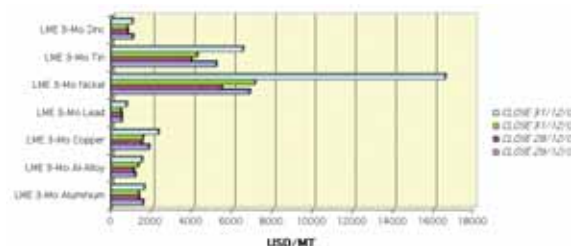


Market analysts forecast that the prices of all base metals should increase this year by double-digit percentages compared to the final quarter of 2003. For the first time in ten years, the main consumption areas should experience simultaneous growth. The scarcity of secondary raw material supply over demand should ensure that high price levels are maintained compared to base metals. The sudden increase in quotations, as well as the large volumes of material lured from long-time storage by these higher price levels, should allow consumers to increase their discounts.

Of course, some factors could correct, weaken or accentuate market trends:

- The persistent weakness of the US dollar is hindering trade and hampering exports. The Euro was equivalent to US\$ 1.30 at the end of 2003 as against US\$ 1.05 a year earlier. Those members of our profession who are located in the dollar zone are not concerned by this particular European worry. But what is the real value of the Euro? Primarily, it is what you can buy with one Euro. Secondly, it is its international value: its exchange rate averaged US\$ 1.15 between 1999 and 2003 (taking into account the ecu before 21 January 1999 - the official launch date of the Euro).
- Chinese production and consumption. The recently-begun year of the Monkey gives rise to even more hope. It will be turbulent, astrologists tell us. The Chinese should succeed at an economic level and Beijing will probably not change the RMB/dollar exchange rate to the great disadvantage of the Americans.

METAL STOCK EVOLUTION



- Even if Indian production and consumption appears overshadowed by the all-powerful Chinese, the market is still important in raw material terms and promises 8% growth in 2004.
- The political determination of the US and EU governments to restrain or ban secondary raw material exports to China, placing themselves on the same level as Russia and the Ukraine who have been condemned for their protectionist measures in relation to exports. We believe that these times are over and, without naivety, we in BIR must defend the principle of 'free and fair trade'.

French writer Paul Valéry once wrote: 'Optimists write badly.' Am I too optimistic?

Marc Natan

President of the Non-Ferrous Metals Division





■ The worldwide turnover of old textiles increased in 2003.
 ■ Traditional suppliers of old textiles and shoes in Europe and North America now face competition from the industrially well-developed countries of South East Asia, Japan, South Korea, Taiwan, Singapore and Australia among others. This means increasing volumes of old clothing arriving in consuming countries and, as a direct consequence, falling prices.

The quality of old clothing in industrialised countries is clearly declining as the result of an overall economic slow-down, whereas the quality provided by these other suppliers is showing improvement. For over 60 years, the recovered textiles sector has been taking care of the recycling of textiles and shoes free of charge on behalf of textiles producers and merchants. This 'service' remained viable so long as the ratio between usable and unusable textiles was more or less balanced. However, this has not been the case for years now. We now need regulations that influence the textile and shoe industries and that provide appropriate financial compensation. This could be achieved without any distortion of competitiveness or major bureaucratic burden.

Looking more closely at the many thousands of workers employed within the textiles recovery sector, one notices that two thirds of them are women. If company closures were to render these people redundant, it would be difficult for them to find jobs elsewhere. From an employment point of view, it is therefore important for the old textiles sector to receive support since it fulfils an important macro-economic task.

The BIR Textiles Division has been very active in this regard and has spent several meetings preparing a strategy paper for submission to the EU authorities. At the division's plenary session in Oslo last May, the EU's DG Enterprise representative Alberto Canevali recognised the severity of the problems afflicting the European used textiles sector and agreed that something needed to be done.

The outlook for 2004 is not very promising. Sorted material is reaching prices at which costs are not covered. Material is being sold, but nobody seems to be paying. The recovered textiles sector urgently needs political intervention to avoid a total collapse which, in my eyes, would be completely unacceptable.

Frithjof Schepke
 President of the Textiles Division





The years go by but how the contrasts remain! Last year appeared so full of promise but turned into a very average year for our sector. This is illogical and we should take the time to analyse the deeper reasons for this outcome.

The decline in the selling prices of recovered paper during the second half of 2003 had nothing to do with international conflicts, above all the war in Iraq. There was no lack of sea containers for our exports to Asia, maritime freight prices did not soar, paper demand did not wane and our depots were not full up.

Therefore, I ask a question which has no answer: what market law can explain why, despite a strong demand for our raw materials, prices are so low? Personally, I do not know the answer.

If we compare the situation of our sector with that of our colleagues in the ferrous, non-ferrous and plastics sectors, the rules applying to their industries do not appear to be the same as ours, but are instead a direct reflection of the over-arching rule of supply and demand.

The plenary sessions our Division organised in 2003 in the framework of the conventions in Oslo and Vienna gave us the opportunity to openly discuss this phenomenon. We listened to our experts from all over the world to understand it better and to prepare our commercial strategies.

In parallel, our division is working with European daughter federation ERPA and the European paper industries federation (CEPI) on traceability and food contact. This is giving us the chance to understand the needs and political orientation of our clients.

Recycling will become an even more important economic challenge than we have known in the past if, as indications suggest, we witness the emergence PRNs. It is a major challenge for many involved in the business and will undoubtedly occupy our attention in 2004.

We look forward to seeing many of you at our conventions in Berlin and in London. In the meantime, I wish you all the best for 2004.

Dominique Maguin
President of the Paper Division





Last year set new records in terms of stainless steel production and consumption. Although official data are not yet available, everything points to global production of around 21.8 million tons. This means an increase of over 7% compared to the previous year.

US production has been stable whereas Europe has seen a constant production increase of around 4%, due mostly to restructuring activities and the introduction of new capacity. But, above all others, Asia has made the largest contribution to this global production increase: Japanese output increased by more than 5% to 4 million tons while the rest of Asia - including China, South Korea, India and Taiwan - saw production approach 6 million tons, some 18% up on 2002. However, the increase in consumption has been slightly lower, which makes us believe that stocks have grown.

Of course, this increase has brought about higher demand for stainless steel scrap and, above all, for primary nickel. Supply of these raw materials may have increased but the volumes have still been insufficient to satisfy demand completely. High prices have obviously favoured an increased scrap availability.

Production of synthetic scrap via new blending techniques has created more volume. High-nickel alloys are used less and less in the aerospace industry, but they are employed in stainless steel industry blends. The primary nickel sector has used its own capacity to earn as much as possible from these exceptionally high prices, but the gap between demand and supply will remain

until new mining capacity comes on stream (not before 2006). Other metals and special alloys are also benefitting from pressure on prices, perhaps more as a result of material shortages than of a strong consumption increase. Without doubt, the increase in Euro terms is sometimes not so striking as the market shortage would seem to justify. Let us not forget that the value of the Euro has increased strongly over the last year in comparison to the US dollar, which is the currency used in the production of most ferro alloys.

Demand for ferro-titanium continues to be good and prices for related grades of scrap are enjoying the knock-on benefit. Demand for high-quality materials from the aerospace industry remains very weak, but a shortage of good-quality scrap is keeping prices firm. There is good demand for high-speed steel, but low availability of M2 materials both in the form of solids and turnings. In Euro terms, however, prices have increased only slightly in recent months.

By contrast, molybdenum has continued on its upward trend thanks to: applications within the stainless steel industry where AISI 316 containing molybdenum is increasingly used in construction projects; increased demand from other industrial areas such as the chemical and catalyst sectors; and, above all, the reduced supply of molybdenum oxide and speculative purchasing by traders expecting further price increases. A considerable increase has also been recorded in quotations for vanadium and cobalt, the latter being required both by the special alloys sector and the chemical industry.



As regards the activities of our committee, our 2003 meetings in Oslo and Vienna were successful both in terms of attendance figures and of the appeal of our guest speakers. In Oslo, Jussi Yli-Niemi, Production Manager at Avesta Polarit in Tornio, described future plans for a plant which will be of growing importance in Europe. In Vienna, the contribution from Markus Moll was greatly appreciated for its stimulating analysis of long-term trends in our field, notably those affecting the two future growth engines of our industry - Eastern Europe and China.

We will meet in Berlin and London this year. Although we have not yet selected our guest speakers, at least one of them is likely to be a market analyst who can supply us with forecasts that will assist delegates in making strategic choices.

Prospects for the new year are in line with what is written above. Stainless steel consumption is generally expected to remain on its upward trend. Even if the European economy - burdened by inefficiency, structural problems and mainly by a strong Euro - is unable to contribute towards further growth, the US in election year and, above all, the Far East will continue to depress the accelerator of economic growth.

As far as supply of raw materials is concerned, no substantial nickel production increase will be recorded in 2004, although scrap availability will increase. Steelworks will continue their efforts to reduce the nickel content of their products in order to counteract excessive price increases. Can this combination of elements lead to a reversal of the current price trend? I doubt it, but we will surely see increased price volatility in 2004.

I wish to thank all Stainless Steel and Special Alloys Committee members for the support they have given me in the past and will continue to give this year in terms of market information and organisational input.



Sandro Giuliani

Chairman of the Stainless Steel & Special Alloys Committee



2003 was a stirring year characterised by plenty of market and price fluctuations. Early on, the European plastics scrap market was far from brilliant but, fortunately, prices improved later in the year. Plastics scrap exports, particularly to Asia, triggered large price increases in April - a trend that continued until the beginning of 2004. Demand for PET bottles and PE foil was particularly strong.

Although the SARS epidemic created panic in China, growing demand for beads was noted from South Korea and healthy orders also came from Japan, particularly for PET. Towards the end of the year, demand from China once again became insatiable.

It is obvious that, in the future, the international plastics scrap market will depend on demand developments in China and the Far East. We all know that this region is currently booming and that the new, emerging markets in Asia will continue to need increasing volumes of raw material in order to support their production programmes and to meet consumer requirements with regard to construction, housing, cars, electronics, etc. Will the current growth be sustainable? There is no doubt that this will be a major agenda item when we meet in Berlin and London later this year.

At our committee's plenary session in Oslo, delegates heard a very interesting talk on a PVC recycling process called Vinyloop, presented by Eric Breny, Vinyloop Marketing & Business Manager at Solvay in Belgium. He explained that the Vinyloop process was based around pre-treatment, dissolution, filtering and precipitation stages via which no solvent was released into the atmosphere.

During our autumn round-table meeting in Vienna, we heard a detailed exposé on PET recycling from Jan Snellenburg of Texplast in The Netherlands. He stressed that China was prepared to pay prices for PET that Europeans could not afford. The rest of the year proved that he was right. But again, how long will it last?

I hope to see you in Berlin in May and to continue our interesting exchange of views and market analyses on the international developments in plastics recycling.

Peter Daalder

Chairman of the Plastics Committee



■ **2003 was yet another year in which environmental issues had an indisputable impact on our sector. The day-to-day work of all our national federations and of the BIR secretariat is geared towards gaining recognition for recycling as an environmentally-friendly activity. However, our path is not without its dangers and uncertainties. We cannot avoid the fact that above our heads, like the Sword of Damocles, is hanging the definition of waste and all that emanates from it.**

Another issue that emerged strongly in 2003 surrounded radioactive materials and orphan sources that can occasionally become mixed up in a consignment of scrap. If processed, such materials can affect the very survival of the company involved. For this reason, the BIR secretariat and the International Environment Council (IEC) have adopted the following parallel approaches to the issue:

- Working alongside institutions such as the European Commission, the OECD and UN in search of a jointly-agreed framework for handling this problem in a co-ordinated way.
- Underlining to our associations the need to adopt technical and formative measures to ensure adequate protection from radioactive contamination for our facilities, our products and, of course, our workforce. In this regard, I should mention the workshop organised by the IEC which took place at the BIR convention in Vienna. This yielded discussion of the risks

associated with processing a radioactive source and the potential for safeguarding against these risks in an economical way.

The International Environment Council, an organ of the BIR comprised of a group of global experts on environmental issues, continued to gather strength in 2003 by building on the interaction between its various members and on their open communication with all the national associations making up BIR.

Given the topicality of the issues involved, IEC has boosted its communications effort via the introduction of a micro-site within the Associations segment of the BIR website. Here are collated the main environmental questions and issues affecting our sector.

In 2003, BIR has been active within the OECD Working Group on Waste Prevention and Recycling. Throughout the world, diverse extended producer responsibility schemes have been developed and implemented. Different management systems for end-of-life vehicles (ELVs) have taken shape and are beginning to bear fruit, particularly in Europe. Following the ELV path, we have witnessed the development of a number of different management systems for waste electrical and electronic equipment (WEEE) which, in many cases, have been advanced into the form of legislation.

As regards the UN and the 6th Conference of the Parties (COP-6) of the Basel Convention, co-operation has continued between

the various industries/commercial enterprises and the various NGOs involved in this accord. The BIR-IEC, with the help of the BIR secretariat, has been represented at all of the relevant meetings, thanks to which a door has been opened for recycling companies to make progress in such interesting and promising fields as mobile phone recycling. Larger issues such as ship-breaking are also being addressed.

And finally, the BIR secretariat and members of the IEC have continued to monitor any attempts to convert international environmental legislation into hidden barriers to the flow of various raw materials which have been labelled as 'waste'.

Increasingly, IEC meetings are becoming a forum for open debate between specialists from around the world on the most important and relevant themes relating to the recycling and the environment.

In this new millennium, new and so-called 'green' barriers are being erected to achieve those same protectionist objectives that were previously sought through economic barriers. The IEC will try as far as possible to counter acts against the legitimate and environmentally-friendly activities of the BIR membership. It is down to all of us finally to achieve the recognition that the recycling sector deserves as the world's true environmental 'hero'.

Without doubt, a lot remains to be done. Increasingly, our businesses must pay heed to the environmental perspective but, at the same time, we should not allow our activities to be the focus of vilification. Every new day brings further affirmation of the following: 'Today's global and industrialised economy produces a large volume of waste that creates a serious problem. Our industry is not part of this problem but rather the solution - the only solution.'

Alvaro Rodríguez Martínez

Chairman of the International Environment Council



The BIR Convention Committee is made up of interested parties and representatives from all our divisions, including Ferrous, Non-Ferrous, Plastics, Paper and Textiles, as well as from our Young Traders, Membership, Communication and Finance Committees. These delegates not only discuss future destinations for our conventions and advise the Advisory and Executive Committees on their deliberations, but they also debate how we should continue to develop BIR activities and programmes through its conventions.

There is no doubt that our bi-annual conferences are the show-piece of BIR. They are well attended and well supported by our membership, for which we on the Committee are most grateful. We look upon ourselves as a world organisation and are keen to meet in new and exciting markets for our commodities, as indicated by our discussions surrounding the possibility of meeting in Beijing in May 2006.

Looking back at 2003, the convention venues we chose turned out to be a success. For the first time, we organized a convention that took place in Oslo, Norway, where we met in spring. The Annual General Assembly was combined with an international symposium on aluminium recycling which attracted a large number of representatives from the aluminium industry. In autumn, Vienna hosted our round-table sessions, which focused

in particular on the recycling markets in the new EU accession countries. Attendees were once again very pleased with the discussion topics in the different plenary sessions and workshops.

Choosing relevant, topical subjects for our conventions is of vital importance to our membership and the Convention Committee does its best at all times to address BIR members' concerns on such issues as shipping, radioactivity, insurance and any other matters that might affect the international trade of the recycling industry, which – as you all know – is subject to change practically on a daily basis.

My colleagues and I always appreciate receiving comments through the BIR office and I would encourage all BIR members to let us have their views on possible convention destinations, workshop topics or indeed on any aspect of our conventions. They will be well received and each point brought to our attention will provide a source of further discussion and action.

I look forward to seeing you in Berlin in May and, of course, in London in October of this year.

Peter Mathews CMG
Chairman of the Convention Committee



2003 was a year of change for the Communications Department. After eight years of dedicated and fruitful work, Jean-Pierre Lehoux stepped down as Chairman and handed over to Anthony P. Bird, who acted as interim Chairman until incoming BIR President Fernando Duranti appointed a new person to this position. The appointment of Andreas Wahl of Newell Recycling of Atlanta was unanimously approved at the BIR Autumn Convention in Vienna. He brings to the Communications Department a wealth of international experience and an in-depth knowledge of the recycling industry, which will benefit the further development of our world federation's communications programme.

A peak in the steady flow of our activities came at the Spring Convention in Oslo where an international symposium on aluminium recycling was organised in parallel to the already quite complex convention programme. This event was very important as it gave BIR the opportunity to establish closer contacts with primary aluminium producers as well as customers for recyclable material. The symposium was a huge success, with 17 guest speakers and an extremely diverse programme highlighting every aspect of aluminium production and recycling. After the event, we published a CD-Rom of all the presenta-

tions as well as the summary proceedings to provide an easy overview.

Both of last year's conventions - in Oslo and Vienna - were a great success. Attendance figures were high, and participation in trading sessions and commodity plenary meetings was extremely pleasing. The conventions gave rise to a host of promotional material, press releases and e-news. The plenary sessions yet again provided a wealth of market information that was particularly appreciated by the trade press, which also took advantage of the presence of our officers and divisional board members to secure expert opinions and interviews.

On the publications side, we have extended our World Mirrors with additional issues for Stainless Steel & Special Alloys as well as Ferrous Metals. We also issued a new version of the membership brochure in an attractive lay-out; this is now available in English, French, German, Italian, Russian and Chinese. Other languages will be added over the coming months. BIR Headlines, our electronic news service introduced in 2002, was sent to all members and interested parties on a bi-monthly basis to draw particular attention to latest news and issues on our website. We also continue to publish

a trilingual version of our newsletter, the convention proceedings and the BIR annual report. All market reports and proceedings are available as downloads on the 'Members Only' section of the website.

Information at www.bir.org has been widened and diversified. In particular, the News section is being updated on a weekly basis, the members online database has been further developed, and a new section on equipment & machine manufacturers has been added. The website continues to be our main interactive communications tool that members should look to consult on a weekly basis.

BIR has continued to participate on behalf of its members in the most important political and economic decision-making

fora at European (EU) and international (OECD/UN) level. We also attended the largest metals recycling event in China - the China International Metal Recycling Forum - which took place last November in Guangzhou, thereby enhancing our contacts with this important market.

In 2004, communication activities will be influenced by the findings of the membership survey carried out last year on behalf of the BIR Membership Committee. This survey suggested a variety of PR actions and tools to improve current membership services and to attract new members. The Communications Department will start working on these together with the BIR Membership Committee.

Elisabeth Christ
BIR Communications Director
on behalf of Jean Pierre Lehoux, Anthony P. Bird and Andreas Wahl



The membership of BIR is both the backbone and raison d'être of the organisation, thus its health, prosperity and composition articulate the state and prospects of our association and the recycling industry itself.

Membership prospects developed encouragingly during 2003 compared to the previous year, with the number of new members joining almost offsetting cancellations — this being achieved against the background of on-going corporate consolidations throughout our industry. This performance is a testimony to the sterling efforts and devotion of our Director General and the Brussels secretariat, in particular Olvido Soria, our Membership Administrator and Elisabeth Christ, Communications Director.

Our industry is in a process of constant evolution, as such our membership structure will reflect these emerging changes and the Membership Committee's objectives are to identify and focus on these developments to determine a cohesive and consistently effective approach to our goals for recruitment and membership services; one that recognizes that membership development is a constant "work in progress" rather than a unique secular event.

In line with these objectives for future membership development, the Membership Committee has been during the latter part of 2003 evaluating and has subsequently commenced acting upon

some of the most pertinent and relevant aspects of the recently commissioned independent survey conducted by Dedicated Research and Direxions.

The secretariat under the authority of the Membership Committee is currently preparing a members "Toolkit", which will both improve awareness of membership benefits and provide an enhanced membership acquisition tool.

The recognition of important newly emerging markets, of which China and several east European countries provides the most emphatic examples, are acting as a catalyst to new areas for membership recruitment. The economic and socio-political structure of these areas of opportunity may however demand differing approaches.

The committee recognizes that to gain visibility and traction in membership recruitment in emerging markets may require initial inducements to attract new members, but that this must be achieved in a manner that will ensure the long term commitment of those joining and avoid the short term exploitation and one off convention attendance syndrome. To this end the secretariat has been requested to develop a probationary membership formula that may be suitable for recruitment in certain specific countries or regions.

The Membership Committee is identifying and pursuing opportunities of relevant, selective diversity for future membership development. These aspects include new geographical areas for membership enhancement; support and coordination of new national trade organizations- for example the E.E.C., through TAIEX (Technical Assistance Information Exchange Office), has sought BIR's input and advice in developing trade associations in emerging member countries of east Europe; evaluation of "associate" membership potential from contiguous industries in the wider scrap generating "pool" such as car manufacturers and electronics producers – these are all among current initiatives under active review and action.

The Membership Committee has also recognized the importance and value of increased liaison and coordination with the BIR Ambassadors Committee, the Convention Committee and the Communications Committee in driving its membership development strategies

The Membership Committee is pursuing a policy of carefully crafted membership development initiatives, utilizing the resources, knowledge, information, data, surveys and networks of the committee members and the secretariat.

The primary guidance for any and all membership development programs and initiatives is that they should at all times solely recruit and capture participants in the industry that embody and reflect the standards and integrity that provides the credibility of the recycling industry at the global level, enabling that consistent influential dialogue with supranational bodies and legislators that BIR so effectively achieves.

In summary, the Membership Committee has enjoyed a valuable and useful year in 2003 and has developed initiatives and approaches for 2004 that should contribute to the further enhancement of the role and influence of the BIR as the world voice for recycling as embodied in the composition and status of its membership.

Michael Lion

Chairman of the Membership Committee



Oslo Convention, 26-28 May 2003



Hroar Braathen
Norsk Dekkratur (Norway)
Tyres Committee



Ivar Karlsen
Norsk Gjenvinning (Norway)
Paper Division



Philippe Moreau
Anthon B. Nielsen (France)
Paper Division



Johann van der Zwaag
Norske Skog Europe Recovered
Paper NV (Belgium)
Paper Division



Eric Breny
Solvay (Belgium)
Plastics Committee



Jussi Yli-Niemi
Avesta Polarit Stainless OY (Finland)
Stainless Steel
& Special Alloys Committee



Jarmo Tonteri
Fundia AB (Sweden)
Ferrous Division



Yngve Fahre
Elektronikkgjenvinning AS (Norway)
Shredder Committee

Oslo International Symposium, 26 May 2003

Christophe Blumenzak
President, Valfond Affinage, and Risk Manager, Valfond
Management (France)

Bjarne Bull Berg
Vice-President Strategy, Business Development and Advanced
Technology, Hydro Aluminium Automotive (Norway)

José Maria Cerdano
Alubuild Manager, European Aluminium Association (Belgium)

Elisabeth Christensen
Strategy Director, Hydro Aluminium (Norway)

Malcolm Culley
Senior Accounts Executive, Amalgamated Metals (USA)

Eric Fossum
Trading Manager, Hydro Aluminium (Norway)

Jarle Grytli
Managing Director, Resirk AS (Norway)

Torbjörn Hedberg
Managing Director, Stena Aluminium (Sweden)

Steinar Juel
Chief Economist, Nordea Bank (Norway)

Lage Knutsson
Technical Coordinator, SAPA Technology (Sweden)

Ulrich Kohaupt
Director Sales, Steinert AG (Germany)

Michael Lion
Sims Group/Lion Consulting (USA)

Harvey Rosen
Vice-President Aluminium, Alpert & Alpert (USA)

Roland Scharf-Bergmann
Managing Director, Vaw Imco (Germany)

Werner Stelzer
Vice-President and Director, Alcan (Switzerland)

Andreas Wahl
Media Recovery Plant Director, Newell Recycling (USA)

Marc van de Wijveden
Matech BV (Netherlands)

Vienna Convention, 27-28 October 2003



Markus Moll
Steel & Metals Market
Research (Austria)
Stainless Steel & Special
Alloys Committee



Michael Moulton
WM Trading (USA)
Paper Division



Jan Snellenburg
Texplast GmbH
(The Netherlands/Germany)
Plastics Committee



Chris Cutchey
Catalyst Recycling (UK)
International Environment Council



Ms Isabella Kossina
Councillor for Environmental Affairs
of the City of Vienna
BIR Welcome Reception at the
Vienna Town Hall

2004

(23) 24 - 26 May

Berlin, Germany
Maritim ProArte Hotel

(27) 28 - 29 October

London, United Kingdom
Hilton Metropole Hotel

2005

(22) 23 - 25 May

Barcelona, Spain

(23) 24 - 25 October

Milan, Italy
Milan Marriott Hotel

AUSTRIA

- Austria Recycling Verein zur Förderung von Recycling und Umweltschutz in Österreich
- Bundesgremium des Sekundärrohstoffhandels Recycling und Entsorgung

BELGIUM

- Confédération belge de la Récupération (COBEREC)

BRASIL

- Associacao Nacional dos Aparistas de Papel (ANAP)

BULGARIA

- Bulgarian Association of Metal Traders (BAMT)

CHINA

- China Association of Metal Scrap Utilization (CAMU)
- China National Resources Recycling Association (CRRA)

CUBA

- Union de Empresas de reuperacion de materias primas (UERMP)

CZECH REPUBLIC

- Svaz Prumyslu Druhotnych Surovin (SPDS-APEREKO)

FRANCE

- Fédération de la Récupération, du Recyclage et de la Valorisation (FEDEREC)

GERMANY

- Bundesvereinigung deutscher Stahlrecyclings - und Entsorgungsunternehmen e.V. (BDSV)
- Bundesverband Sekundärrohstoffe und Entsorgung e.V. (bvse)
- Fachverband Textilrecycling e.V.
- Verein Deutscher Metallhändler e.V. (VDM)

HUNGARY

- National Association of Recyclers (HOE)

IRELAND

- Metal Merchants Association of Ireland

ITALY

- Associazione imprese di servizi ambientali (FISE-ASSOAMBIENTE)
- Associazione Nazionale dei Commercianti in Ferro e Acciai, Metalli non ferrosi, Rottami ferrosi, Ferramenta e Affini (ASSOFERMET)
- Associazione Nazionali degli Operatori del Recupero e dei Servizi Connessi (ASSORECUPERI)
- Consorzio Por Il Riciclaggio Dei Rifiuti Di Beni in Polietilene (POLIECO)

JAPAN

- Paper Recycling Promotion Centre

THE NETHERLANDS

- Metaal Recycling Federatie (MRF)
- Federatie Nederlandse Oudpapier Industrie (FNOI)
- Vereniging Herwinning Textiel (VHT)
- Vereniging VACO - Bedrijfstak-Organisatie voor de Banden en Wielenbranche

PORTUGAL

- Associacao nacional dos recuperadores de produtos reciclaveis (ANAREPRE)

ROMANIA

- Federation Patronale (RECOMAT)
- Asociata Nationala a Intreprinzatorilor Dindomeniul Reciclarii (NAPEFERM)

RUSSIA

- General Council of the Scrap Processing Industry (GCSPI)

SCANDINAVIA

- Nordic Recycling Federation (NRF)

SPAIN

- Asociacion Espanola de Recuperadores de Papel y Carton (REPACAR)

SWITZERLAND

- Verband Schweizerischer Industrielieferanten für Altpapier (VSIA)

UKRAINE

- Ukrainian Metal Scrap Association (UMSA)

UNITED KINGDOM

- British Metals Recycling Association (BMRA)
- Confederation of Paper Industries (CPI)
- The Textile Recycling Association (TRA)
- Independent Waste Paper Processors Association (IWPPA)

UNITED STATES

- Institute of Scrap Recycling Industries (ISRI)



Associations and/or individual member firms:

Argentina ■ Australia ■ Austria ■ Bahrain ■ Belgium ■ Bulgaria ■ Brazil ■ Canada ■ China ■ Cuba ■ Cyprus ■
 Czech Republic ■ Denmark ■ Estonia ■ Finland ■ France ■ Germany ■ Greece ■ Hungary ■ India ■ Indonesia
 ■ Ireland ■ Israel ■ Italy ■ Japan ■ Jordan ■ Kosovo ■ Latvia ■ Kuwait ■ Lebanon ■ Luxemburg ■
 Malaysia ■ Mexico ■ Monaco ■ Morocco ■ Netherlands ■ Norway ■ Pakistan ■ Poland ■ Portugal ■ Romania
 ■ Russia ■ Saudi Arabia ■ Singapore ■ South Africa ■ Spain ■ Sweden ■ Switzerland ■ Taiwan ■ Tunisia
 ■ Turkey ■ Ukraine ■ United Arab Emirates ■ United Kingdom ■ Uruguay ■ USA



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