

Annual Report 2014





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Björn Grufman
M.V. Metallvärden AB (SWE)
BIR President

Words from the President

2014 turned into yet another year of low economic growth. We have all been trying to forecast a brighter future, but very few of us have seen any actual signs of this to date...

... The recycling industry has been suffering from overcapacity and from low volumes, and we are badly in need of economic growth and an upswing in industrial production, especially in Western Europe. Then, perhaps, that bright future we all want may edge a little closer to becoming a reality.

The politicians and the central banks are all trying to contribute to an improvement in economic conditions through the implementation of a variety of catalytic measures - but so far with little success. North America appears to be better off than Europe at present, but real growth is still proving largely elusive. We must hope that it arrives soon.

Let us be positive and wish for a useful new climate change agreement from the United Nations COP21 meeting to be held in Paris at the end of the year. The aim must be to limit carbon dioxide emissions to a level whereby we can keep global warming within the boundaries we are told are an absolute necessity. Increased recycling is one of the tools that can bring the greenhouse gas emissions down and this must be recognized in the future agreements. We are many that are worried, but there are few that can lead

the way. The many, destructive hurricanes around the world are proof of the urgent need for meaningful action.

And of course, one tool at Mankind's disposal is increased recycling, and the international recycling industry remains a key player in society's quest for a more sustainable way of living. As the sole truly international recycling association, it is the role of our BIR world recycling community to promote this important work by helping pave the way for an improved operating and trading framework for our members. To achieve this, we will continue to place direct and indirect trade barriers at the top of our agenda in our work with the world's most important and influential policy-setters, such as the United Nations and the OECD. In 2015, as in 2014, we will continue to do everything in our power to represent our members' interests effectively and efficiently.

While we must remain ever upbeat about recycling and its growing role within a more sustainable world, it is more difficult to be optimistic about the wars and terrorist acts taking place around the planet we all share. Let us hope that we can continue to educate



young people so they all understand that violence is not the solution.

Maybe one day we will be able to say that we have a global sustainable society in which people live in peace with each other and the use of recycled raw materials is more common than the plundering of virgin raw materials. Let us hope that it is more than just a dream to want a world in which technological advancements reduce energy consumption requirements and in which the use of recycled raw material becomes the norm everywhere.

“One tool at Mankind’s disposal is increased recycling, and the international recycling industry remains a key player in society’s quest for a more sustainable way of living.”



Ranjit Singh Baxi
J&H Sales International Ltd (GBR)
BIR Treasurer

BIR, a global organisation, had to navigate 2014 through a changing landscape of shifting global demand, with emerging economies performing better than Western economies. Rebalancing of global demand and consumption as well as geopolitical crises greatly impacted the growth of the recycling industry. This resulted in a slight decrease in our membership.

We had two successful conventions during the year which were well attended, resulting in a net revenue contribution in spite of the challenging times. This was only possible because of ongoing support from our members.

Working together with the Finance Committee, we have taken great care

BIR's Financial Situation

in ensuring the organisation's funds are soundly invested.

The current economic difficulties and decreasing revenues make it more challenging for us to hold and sustain our reserves. We also need to widen our revenue sources in the coming years to allow BIR to continue carrying a healthy reserve to help develop new programmes, promote our industry worldwide, assist our membership and also provide short-term financial support when required.

The 2015 annual budget, which will be proposed for approval by BIR members at the Annual General Assembly in Dubai in May 2015, will embody these priorities.

In my capacity as BIR Treasurer, I would like to thank all BIR members for their support and trust.



Alexandre Delacoux
BIR Director General

Director General's Report

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As a backdrop to all the comments resonating around the world, I want first to mention a subject of concern to all stakeholders in the recycling sector: the resurgence of non-tariff barriers to international trade. An OECD study* estimates that one-third of World Trade Organization members have different forms of export restriction in force...

... BIR was founded in 1948 to meet a need within the recycling industry to abolish the customs barriers in place after the end of the Second World War. Sixty-seven years later, the recycler's profession has developed into a truly international industry, as demonstrated by BIR's many members around the world. The cycle seems to have come full circle as, once again, BIR is confronted with non-tariff trade barriers being erected worldwide and often arbitrarily, against which it is our duty to stand up.

In December 2014, BIR attended an OECD trade barriers workshop in Cape Town, South Africa, from where it emerged that the most common reasons for the implementation of export restrictions are promoting the competitiveness of domestic processing industries and increasing government revenues. We believe that there are alternative methods to achieve the same goals - methods that do not affect investment in industries that become the victims of national sectoral interests.

The updates on market conditions presented during our two conventions last year - in Miami and Paris - highlighted the incontrovertible need for open and stable markets to enable the

development of recycling in the service of our society's sustainable growth.

Directly related to the quality of trade between BIR member companies, our arbitration service is regularly used by members when encountering business difficulties and this Annual Report provides an appropriate opportunity to outline its main principles. Arbitration cases are handled confidentially and efficiently by professionals from the relevant sector, with the primary aim of agreeing an acceptable outcome for the companies concerned. Recourse to BIR's arbitration service allows one or more companies to set aside the emotional aspects of a case to focus on the technical detail of the contract and the result of the transaction. In this way, many difficulties can be ironed out and acceptable solutions found. When appropriate, I would urge BIR members to use a service that is available to them at a very reasonable cost.

Important progress was achieved for our European members last year with the birth in October of the European Recycling Industries' Confederation (EuRIC) - and it quickly produced tangible benefits. For many years, the BIR secretariat had been involved in the

* "Export Restrictions in Raw Materials Trade: Facts, fallacies and better practices." www.oecd.org/trade/benefitlib/export-restrictions-raw-materials-2014.pdf



“BIR is at the heart of international legislative action and market access developments so as to safeguard the interests of its members in particular and the recycling industry in general.”

management of the three European recycling federations EFR, Eurometrec and ERPA, and the creation of an independent European recycling association clarifies and enhances BIR's international role and position while maintaining representation of the specific European interests of its members based in Europe.

Other new services have been added to those to which our members have become accustomed. At our Miami convention, we ran a special symposium dedicated to the textiles recycling industry, co-organised by the BIR Textiles Division and two US associations, namely the Secondary Materials and Recycled Textiles Association (SMART) and the Council for Textile Recycling (CTR). Also, we launched a new form of round-table discussion involving experts from a specific industry: these “Leading Expert Talks” focused on plastics in Miami under the chairmanship of Surendra Patrawari Borad and on tyres in Paris with Barend Ten Bruggencate at the helm.

Significant changes also occurred within the BIR secretariat last year. Two of our colleagues left us to pursue other professional opportunities and we thank them for all

the work they undertook on behalf of BIR. Meanwhile, a new Director of Conventions joined us in March this year and will have the opportunity to meet many of our members for the first time at our Dubai convention in May. We have also launched a major reorganisation of internal work processes within the secretariat in Brussels and began the implementation of a new IT system. The tangible benefits of these changes will begin to emerge in 2015.

In addition, we formalised the collaboration we have had for many years with Ma Hongchang, who became our esteemed Advisor on Chinese Affairs.

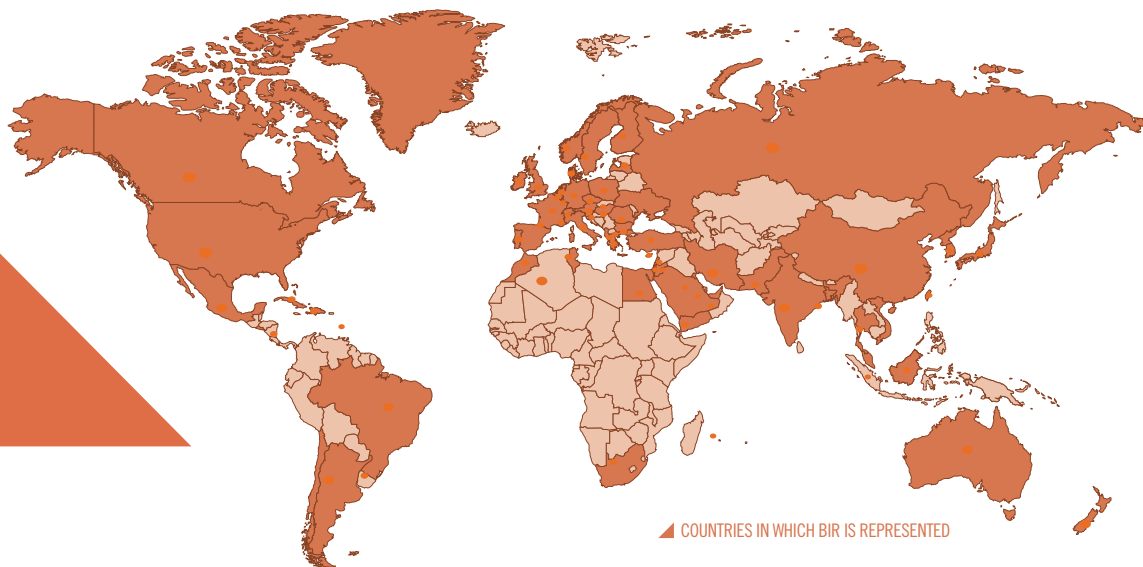
In 2014, I continued to travel the world to catch up with our members, their companies, their priorities and their expectations, as well as their programmes in the case of member associations. These visits provided me with an opportunity to gauge the different issues affecting the recycling industry and our distinguished members, both positively and negatively. On some of those occasions, the entire BIR staff visited members' facilities: Pol T'Jollyn welcomed us to Recutex NV in Belgium; Olivier François to the Galloo Group in France; and Jean-Luc Petithuguenin,

represented by Dominique Maguin, to the Paprec Group, also in France. Our tour programme will continue because it is essential that we remain intimately acquainted with the activities of our members in order to provide them with the best possible service.

In summary, BIR is at the heart of international legislative action and market access developments so as to safeguard the interests of its members in particular and the recycling industry in general. Under the dynamic leadership of those at the head of our organisation, BIR continues to expand and modernise in order to meet the new challenges that are emerging in the 21st century.

Finally, 2014 marked the end of the mandates of some of BIR's most prominent and influential leaders, all of whom had agreed to extend their tenures to help smooth my early days as BIR Director General. On behalf of the entire BIR team, I would like to thank each of them by name and from the heart for their long-standing support and advice: Olaf Rintsch, Christian Rubach, Robert Stein and Barend Ten Bruggencate.

Membership Spread 2014



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Western Europe

Austria
Belgium
Cyprus
Denmark
Finland
France
Germany
Greece
Ireland
Italy
Luxemburg
Monaco
Netherlands
Norway
Portugal

Spain
Sweden
Switzerland
United Kingdom

Russia & Eastern Europe

Albania
Bulgaria
Czech Republic
FYRO Macedonia
Georgia
Hungary
Latvia
Lithuania
Poland

Romania
Russia
Slovenia
Ukraine

Asia

China
India
Japan
Republic of Korea
Malaysia
Pakistan
Singapore
Taiwan (China)
Thailand
Vietnam

Central & South America

Argentina
Brazil
Chile
Cuba
El Salvador
Haiti
Honduras
Mexico
Uruguay

Turkey & Middle-East

Bahrain
Egypt
Iran
Israel
Jordan
Kuwait
Lebanon
Saudi Arabia
Turkey
United Arab Emirates
Yemen

North America

Canada
USA

Australia & Pacific Rim

Australia
New Zealand

Africa

Morocco
South Africa
Tunisia

Membership Highlights

More than **800**
BIR Members all
over the World!

50% Increase
within the
last 10 years!

69
Countries

39 National
Federations

More than **40%**
Members outside
the European
Continent

68 New Members
in **2014...**



List of BIR Member Federations



AUSTRIA

- Austria Recycling (AREC)

BELGIUM

- Confédération belge de la Récupération / Confederatie van de Belgische Recuperatie (COBEREC)

BULGARIA

- Bulgarian Association of Recycling (BAR)

CANADA

- Canadian Association of Recycling Industries (CARI)

CHINA

- China Association of Metal Scrap Utilization (CAMU)
- China Nonferrous Metals Industry Association Recycling Metal Branch (CMRA)
- The China National Resources Recycling Association (CRRA)
- China Scrap Plastics Association
- China Resource Recycling Association

CUBA

- Union de Empresas de Recuperación de Materias Primas (UERMP)

CZECH REPUBLIC

- Svaz Průmyslu Druhotných Surovin (SPDS-APOREKO)

FRANCE

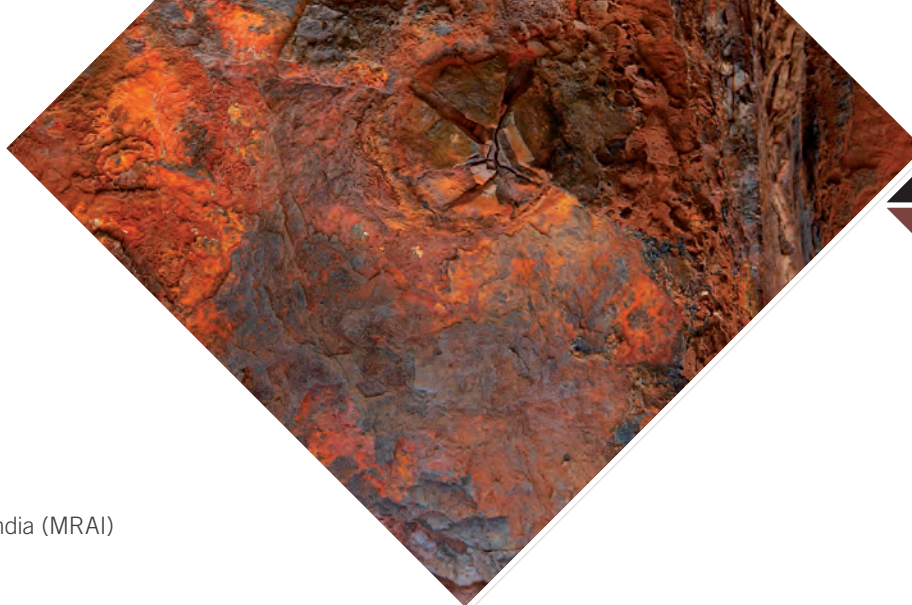
- Fédération des Entreprises du Recyclage (FEDEREC)

GERMANY

- Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e.V. (BDSV)
- Bundesverband Sekundärrohstoffe und Entsorgung e.V. (BVSE)
- Verband Deutscher Metallhändler e.V. (VDM)

HUNGARY

- Hulladékhasznosítók Országos Egyesülete (HOE)



INDIA

- Metal Recycling Association of India (MRAI)

ITALY

- ASSOFERMET
- Associazione Nazionale Imprese Recupero (FISE – UNIRE)

JAPAN

- Japan Iron & Steel Recycling Institute (JISRI)
- Japan Recovered Paper Association (JRPA)

THE NETHERLANDS

- Vereniging Afvalbedrijven (DWMA)
- Federatie Nederlandse Oudpapier Industrie (FNOI)
- Metaal Recycling Federatie (MRF)

POLAND

- Izba Gospodarcza Metali Niezależnych i Recyklingu (IGMNiR)
- Scrap Economy Chamber of Industry and Commerce (IPHGZ)

PORTUGAL

- Associacao das Empresas Portuguesas Para o Sector do Ambiente (AEPsA)

ROMANIA

- Organizatia Patronala Si Profesionala (REMAT)

SOUTH AFRICA

- Metal Recyclers of South Africa (MRA)

SPAIN

- Federación Española de la Recuperación (FER)
- Gremi de Recuperació de Catalunya
- Asociación Española de Recuperadores de Papel y Cartón (REPACAR)

TURKEY

- Dönüşebilen Ambalaj Malzemeleri Toplayıcı ve Ayırıcıları Derneği (TÜDAM)

UNITED ARAB EMIRATES

- Bureau of Middle East Recycling (BMR)

UNITED KINGDOM

- British Metals Recycling Association (BMRA)
- Confederation of Paper Industries – Recovered Paper Sector (CPI)
- The Recycling Association
- Textile Recycling Association & Recyclatex (TRA)

UNITED STATES

- Institute of Scrap Recycling Industries, Inc. (ISRI)



Divisions & Committees

Each Commodity Division and Committee represents a specific material. They are headed by an elected board and a president/ chairman. Two additional BIR committees cover cross-commodity issues pertaining to trade and environmental matters: the International Environment Council and the International Trade Council.



William Schmiedel
Sims Metal Management
Global Trade Corporation (USA)
President Ferrous Division

Ferrous Division

Given a cursory glance, you could be forgiven for thinking of 2014 as a sort of extended Groundhog Day in that the main themes of the year were strikingly similar to those of 2013, namely: excess capacity in both the steel industry and the steel scrap processing sector; trade barriers; and widespread market volatility...

... However, global steelmaking overcapacity began to bite in a whole different way in the latter part of 2014 as Chinese producers, driven by competitive pressures, indifferent domestic demand and dwindling iron ore prices, flooded export markets with steel products. The figures are truly startling: in November 2014, China's steel exports soared to an all-time high of 9.72m tonnes - only for this milestone to be surpassed the following month when 10.17m tonnes left China for foreign shores. For 2014 as a whole, China's finished steel exports soared more than 50% year on year to 93.78m tonnes while its domestic crude steel production climbed around 1% higher.

To make matters worse for our industry, China continued with its policy of developing domestic supply of steel scrap and of slashing imports. Again, statistics are more eloquent than any words: China's steel scrap imports plummeted more than 42% last year to a mere 2.6m tonnes.

The decline in iron ore values gathered significantly greater momentum last year, dropping below US\$ 100 per tonne in May and never looking back. Having started 2014 at around US\$ 130 per tonne, iron ore closed out the year nearer to the US\$ 70 mark, thus compromising the competitiveness of steel scrap for a broad spectrum of steelmaking consumers. With iron ore prices in a state of depression, China went into import mode and, in December, purchased an all-time monthly high of 86.9m tonnes from abroad for a full-year total that eclipsed the 820m tonnes of 2013 in reaching 932.7m tonnes.

As regards the margin erosion we have witnessed in the steelmaking and steel scrap sectors, I can only repeat what I told our divisional meeting in Miami last year: that this will not change until the capacity overhang is utilised or rationalised.



KEY FACTS

World Crude Steel Production in 2014:

+1.2% to **1.662bn** tonnes

JANUARY-SEPTEMBER 2014

World's Leading Steel Scrap Importer:

Turkey: **+0.2%** year on year to **14.68m** tonnes

World's Leading Steel Scrap Exporter:

Eu-28: **+3.9%** to **13.018m** tonnes

Renate Cakule, Senior Steel Market Analyst at Wood Mackenzie in the UK, predicted at the Miami event that global steel output would reach 2bn tonnes by 2025, with 40% of the increase coming from China. At the same time, she envisaged a “healthy” outlook for scrap as the electric arc furnace share of global steel production was expected to climb from 28% at present to 32-33% in a decade from now. At the same meeting, Ignacio Sanchez of the Tenaris Group provided us with a fascinating analysis of how demand for scrap is growing in three of Latin America’s key emerging economies, namely Brazil, Mexico and Argentina.

Also on a positive note, 2014 brought some more hopeful signs regarding the threat posed to scrap movements by protectionist forces around the world. Notably, the newly-elected President of Eurofer, Robrecht Himpe of ArcelorMittal Europe, was quoted as saying that the European steel association had no intention of pushing for regulation of European

scrap exports because it would create a precedent against fair trade. At our meeting in Paris last October, German Steel Federation President Hans Jürgen Kerkhoff indicated that the steel and scrap sectors were aligned in that “we have to rely on free movement”. Make no mistake, however, trade barriers and protectionism remain a potent threat to our industry on many fronts.

Finally, a word of appreciation for the man I succeeded as President last year: Christian Rubach navigated our Division through some of the darkest business days in living memory, particularly in the aftermath of the 2008 global collapse, and brought great energy and intelligence to the role. To him we convey our sincerest thanks.

“Margin erosion in the steelmaking and steel scrap sectors will not change until the capacity overhang is utilised or rationalised.”



David Chiao
Uni-All Group Ltd (USA)
President Non-Ferrous
Metals Division

Non-Ferrous Metals Division

2015 is The Year of the Ram in the Chinese calendar, and it is said that red is among the lucky colours for people born under this zodiac sign. In business terms, however, I sincerely hope that we won't be seeing too much red on our balance sheets this year...

... Certainly, our business lives remained difficult throughout 2014, complicated by the now-familiar combination of geopolitical tensions, a stuttering world economy, shrinking demand and, from our own industry's specific perspective, metals theft, availability issues and compressed margins. To this list, we must also add the multitude of controls and duties imposed on scrap flows around the world.

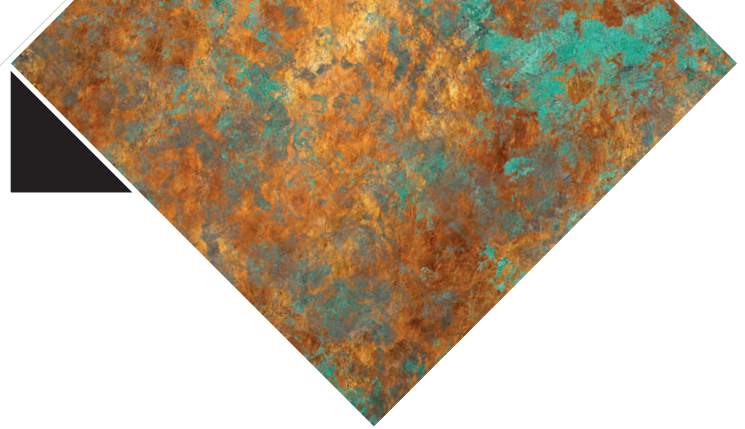

With non-ferrous metals prices tumbling again around the turn of the year, there are no early signs that 2015 will be any easier for our industry, especially as the economic slowdown is expected to intensify in some of the leading consuming countries.

This latter comment applies notably to China where the continuing trend towards slower growth will have an inevitable negative impact on its trading partners. Recent forecasts suggest that China's GDP growth will fall short of 7% this year, even lower than the 7.4% of 2014. Indeed, it has been written that 2014 was

perhaps the toughest year for China's non-ferrous scrap processors since the market crash of 2008/09 - and the situation could get worse for them before it gets better. As regards imports, credit tightness and availability issues were the main factors behind a drop of 11.4% in China's copper scrap imports from 4.37m tonnes in 2013 to 3.875m tonnes last year.

But specifically for our Division, perhaps the most significant event in 2014 was the departure of Bob Stein as our President after a monumental seven and a half years at the helm.

Bob was a highly visible presence as our President, treating conference audiences around the world to his forthright but common-sense views. He was also the architect of many positive changes within our Division and was always open to new ideas and approaches. For example, he was one of the driving forces behind establishing BIR as the go-to source of



“There are no early signs that 2015 will be any easier for our industry, especially as the economic slowdown is expected to intensify in some of the leading consuming countries.”

meaningful data that would demonstrate to policy-makers and regulators worldwide the massive economic, environmental and social contribution made by our industry. He also wanted such information to be useful in our every-day business lives - for example, as a tool to convince our customers that export restrictions do not represent the way forward.

In this context, it is worth noting that members of our Division have been working recently with the renowned World Bureau of Metal Statistics to produce a status report on global copper and aluminium scrap movements. This will cover the importance of scrap; comparisons of scrap usage by metal, quantity and value; international trade in copper scrap and aluminium scrap; tariffs and legal barriers to trade; and latest developments affecting the generation, collection and use of scrap, to include legislation and technological developments.

Under Bob Stein's presidency, we saw the development of stronger ties with key markets like China and India, as well as innovations at our twice-yearly divisional meetings such as the fascinating panel discussion in Paris last October that brought together experts from the worlds of industry, finance and academia. It is revealing that, under Bob's stewardship, our meetings continued to attract large audiences.

Bob steered this Division through perhaps some of the most astonishing times in living memory, including the collapse of 2008/09 that has probably changed the face of our industry forever. For that, he has our undying gratitude and admiration.

KEY FACTS

China's Copper Scrap Imports in 2014:
-11.4% to 3.875m tonnes

Copper prices fall
to lows not seen in more than **5** years



Mehdi Zerroug

Framimex (FRA)

President Textiles Division

Textiles Division

2014 was a milestone year not only for me personally but also for the BIR Textiles Division as a whole given the staging of our first-ever International Textile Recycling Summit in conjunction with the Secondary Materials and Recycled Textiles Association (SMART) and the Council for Textile Recycling (CTR)...

... At our meeting in Miami last June, I was confirmed as the Division's new President - a great thrill and honour for me. Certainly, I have a tough act to follow as my predecessor Olaf Rintsch was a truly inspiring leader and I am delighted that his immense contribution over the years has been recognised by his new-found status as Honorary President. It is good to know that I will still be able to call on his knowledge and expertise.

As a Frenchman, it was a particular pleasure for me that my first full meeting as President took place in Paris. Interesting guest presentations at that event taught us, among other things, that there is huge scope for increased shoe recycling and that extending the life-span of clothing by just three months would cut its environmental impact by 10%.

But the venue for the aforementioned Summit was Miami. Divided into three, fast-flowing question-and-answer sessions covering core industry issues, sustainability and trends for

the future, the well-attended event attracted interested parties from across the textiles spectrum, including private firms, charity organisations, government agencies, apparel companies, brands and retailers.

The event covered an immense amount of ground: from the state of the textiles recycling industry to the challenges it faces and areas requiring improvement; from the increased attention paid to the sector by the public and by legislators, to the importance of clothing and footwear producers assuming a fair share of end-of-life responsibility for the products they manufacture and sell.

To my mind, three key messages emerged from this hugely successful event: the need for free movement of the sector's goods on the world market; the need for communication activity in order to convey a realistic image of our sector's positive economic, social and environmental contribution; and the need for renewed efforts to develop new market outlets

“A melting pot of opinions and ideas, the Summit will serve, I’m sure, as a catalyst for further action and debate on a truly international scale.”

for our materials, notably those with a low or negative value.

A melting pot of opinions and ideas, the Summit will serve, I’m sure, as a catalyst for further action and debate on a truly international scale.

Unfortunately, the event took place against a backdrop of ever-worsening business conditions for our sector, characterised by falling values, unrest in some key consuming countries and regions, compromised buying power and company closures. From the UK, for instance, it was reported that numerous businesses had shut their doors and several hundred jobs had been lost. The value of UK used clothing had fallen around 40% over the last 12 months, we were told in Paris.

And as reflected at the Summit, our members in many countries have been coming under even more intense pressure from often-damaging and ill-considered regulatory changes. Explaining the situation in Germany, for example, Alexander Gläser told our Miami meeting that his country’s 2012 circular economy act had generated a very real threat to the future of traditional charitable and commercial textiles recycling operations.

Nevertheless, the current difficulties within the collection and sorting markets represent an opportunity for our industry to demonstrate its know-how. Over the coming years, we need to convince municipalities that we supply a public service and that our companies alone are able to propose long-term solutions, independent of any market fluctuations. Our hard-earned expertise and our proven ability over many generations to operate to the highest standards offer the safest and best solution to achieving the objectives of a circular economy.

KEY FACTS

UK Used Clothing Values fall **40%**
in **12** months

America alone still landfills **10.5m** tons
of clothing every year



Paper Division

Reinhold Schmidt

Recycling Karla Schmidt (DEU)

President Paper Division

18 If only profits were as easy to find as challenges for our recovered paper sector! Yet again in 2014, we were confronted with an array of problems, including increased protectionism and those artificial barriers to free and fair trade which have the potential to negatively impact the development of our businesses. To these thorny issues we can add overcapacity in the graphics sector of our industry, as outlined by guest speaker Otavio Pontes of Stora Enso Biomaterials at our Miami meeting last June, and ever-louder demands for higher fibre quality, not only in China but also, increasingly, in other major outlets for our products within both Asia and Europe...

... In 2013, much publicity was given to China's "Green Fence" import quality controls and the greater demands these placed on the country's many fibre suppliers around the world. Last year brought a somewhat different tone, as the focus of many debates and discussions turned to China's reduced appetite for recovered fibre; indeed, it has been estimated that the world's leading fibre importer bought perhaps 3m tonnes less last year in the international marketplace than it did in 2013.

We should take some encouragement, however, from George Chen of US-based G&T Trading International Corporation who assured our Miami meeting that China would remain the leading recovered paper market despite mills shutting down and increased domestic collections. However, the 10% decline in China's fibre purchases from overseas in 2014 is a stark reflection of the difficult business conditions encountered last year - and still today - by the country's containerboard

producers as a result of diminished sales opportunities both at home and in many export markets. If the world's economic experts prove to be correct, then the reduced momentum in China is likely to become even more pronounced in 2015, with GDP growth forecast to fall from 7.4% in 2014 to below 7%.

For recovered paper businesses, last year's tricky conditions served to intensify the already-strong pressure on our margins. The prospect of higher logistics and energy costs, despite the recent oil price decline, will only add to this squeeze on our profitability while changes in paper consumption may require increased investment in our sorting facilities over the coming years - a point made at our divisional meeting in Paris last October by guest speaker Dr.-Ing. Christina Dornack of Germany's Papiertechnische Stiftung.

If all these negative factors were not sufficient to depress the recovered paper sector, we are also forced to contend with the continuing

“We now feel that we have to justify ourselves if we want to be entrepreneurial, create jobs and pay taxes”

over-regulation of our activities. My home country of Germany offers a salient example: the circular economy law in place since June 2012 has worsened rather than improved framework conditions for private recovered paper businesses. Consequences have included: a partial ban on those commercial collections that had been carried out by private companies for generations; and some municipalities taking over association collections where well-established co-operation had previously existed with the private sector. As a result, collection and recycling structures are being weakened.

Our private companies do not expect any special favours; however, we would like to have a level playing field with the municipalities. Instead, we now feel that we have to justify ourselves if we want to be entrepreneurial, create jobs and pay taxes. Politicians in Germany are advertising the circular economy everywhere but don't see any problem in creating hurdles for those

companies that have helped build and maintain this circular economy over many, many decades through the professional collection, transportation and quality processing of recovered fibre in line with environmental legislation.

Politicians should recognise this contribution, not least because our sector is mainly composed of SMEs that provide an income for many families while also actively providing strength to the regions and to their citizens through their social engagement and the taxes they pay.

KEY FACTS

China's recovered paper imports (tonnes)

2011	27.28m
2012	30.08m
2013	31.65m
2014	28.65m (estimated)



Case study:

BIR – The Recycling Industry's Truly International Voice

Back in the late 1940s, the world was striving to repair itself after a deeply damaging world war. And recycling industry leaders looked to play their part in this painstaking process by creating an organisation to rebuild and nurture both trading links and commercial co-operation in their particular sphere of expertise...

... The founders of BIR had the vision of a world federation of the recycling industries, and as the world evolved into the truly global marketplace that it has become today, BIR has mirrored this development and reached out to the farthest corners of our planet.

Sixty-seven years on from BIR's formation, the figures speak for themselves: over 800 members in 69 countries, as well as a network of 39 national member associations. Despite the world's economic troubles, BIR has succeeded in expanding its membership base by more than 50% over the last decade, with its numbers growing fastest of all in the increasingly influential Asian market.

The numbers are important for any organisation describing itself as international, but they do not tell the whole story. Although BIR likes to reflect on the multi-national spread of delegates attending its twice-

yearly conventions held around the world, an international organisation is not defined by the geographical distribution of participants in its events but rather by its international agenda and its international governance.

Internationalism is a movement which advocates a greater economic and political co-operation among nations for the benefit of all. So a truly international organisation is unencumbered by specific national interests and does not favour one national agenda over another. At the supranational level, it is free to defend the interests of all its members without fear or favour.

BIR's natural partners are the bodies forming part of the United Nations, such as its Conference on Trade and Development and in particular the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal as



“A truly international organisation is unencumbered by specific national interests and does not favour one national agenda over another.”

most countries of the world regard end-of-life goods as discarded or disposed of by their last owners. And given that scrap is a highly-prized secondary raw material that substitutes primary alternatives in industrial production, the World Trade Organization is also an important international partner for BIR although, in principle, it can be accessed only through national governments.

BIR has also developed strong working links with: the Organisation for Economic Cooperation and Development, notably through its Business and Industry Advisory Committee; the world's largest international police network Interpol; and the International Atomic Energy Agency. To these should also be added the International Organization for Standardization, the International Chamber of Commerce and the International Maritime Bureau, and that raft of organisations focusing on specific materials handled by our

members, such as the International Study Groups for copper, nickel, lead and zinc, as well as the World Steel Association and the International Aluminium Institute.

These are just a few examples of those leading supranational organisations with which BIR has built a high profile and strong working relationships. In almost every case, they accept BIR as an expert observer or as an active participant at meetings where vital issues relating to the recycling industry are to be discussed. And BIR's profile can be sharpened within these international organisations by the presence of national associations and company experts from within the waste and scrap sector.

The international nature of an organisation is also reflected in the make-up and skill-sets of its personnel. At BIR, our senior officers are drawn at present from Australia, China,

various European countries, India, New Zealand, South Africa and the USA. The combination of their individual experiences creates a truly global vision and outlook that has a direct impact on the governance of our organisation. Within BIR's massively-experienced Brussels secretariat, meanwhile, five different nationalities are represented and eight languages are spoken and written fluently, including Spanish, Arabic and Mandarin Chinese.

There are many different voices within BIR. Together, we ensure that the world recycling industry can speak with one voice.



Joost van Kleef

KMR Stainless BV (NLD)

Chairman Stainless Steel
& Special Alloys Committee

Stainless Steel & Special Alloys Committee

22

2014 started well with an improved demand for stainless steel scrap, supported by the Indonesian ore export ban causing a nickel price increase of 45% during the first six months. But although the year looked very promising at first, uncertain market expectations and geopolitical crises during the second half of 2014 meant that, overall, the year was a challenging one for the stainless steel scrap industry...

... Although mills struggled against the backdrop of weaker economic conditions, global crude stainless steel output is thought to have increased around 8% last year to a new record level. The axis of world production has shifted markedly over recent years with China now the dominant force, producing 21.7m tonnes of crude stainless steel in 2014 for a year-on-year increase of more than 14%. The country now accounts for over half of global production compared to 18.5% as recently as 2006.

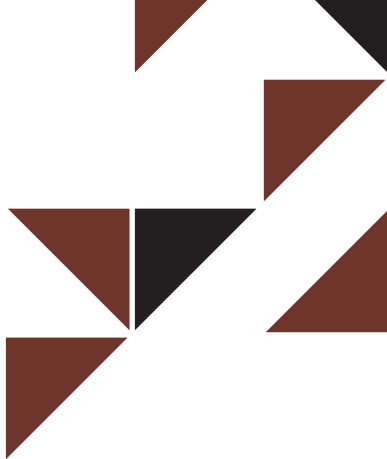
This phenomenon was brought into sharp focus at our meeting in Paris last October as presentations from Bharat Mandloi of Cronimet ABCOM, Tobias Kämmer of Oryx Stainless and André Reinders of Nicrinox each underlined in different ways this shift from west to east in the balance of stainless production power.

Although China has become the world's pre-eminent stainless producer, Mr Mandloi made clear that it remains a relatively low-level consumer of scrap as a proportion of its overall input mix, with nickel pig iron (NPI) having developed rapidly into its raw material of choice over recent years. Indeed, this was a key factor behind the surge in nickel prices when Indonesia introduced its on-going nickel ore export ban and announced its intention

KEY FACTS

Asia accounted for more than **70%**
of global stainless steel production in 2014

China produced more than half of the world's stainless steel
in 2014 versus less than **20%** in 2006



“Our twice-yearly Committee meetings certainly drill down to the heart of our business, providing an insight into developments past and present while also marking our card as to what might happen in the future.”

to become a producer of NPI; having stood at little more than US\$ 13,000 per tonne in January last year, the metal's value soared over 60% to US\$ 21,100 in May – although by early this year we were back around the US\$ 14,000 mark.

While reports suggest three plants are scheduled to come on stream in Indonesia this year, the future remains unclear for the country's NPI production. This will certainly be a situation to watch closely in 2015 as it will undoubtedly have a significant impact on the scrap market. In this context, I would like to recall Mr Kämmer's encouraging comments in Paris: if the Indonesian ore ban continues and the nickel market moves into undersupply over the coming years, “the importance of stainless scrap will definitely increase, also in China”.

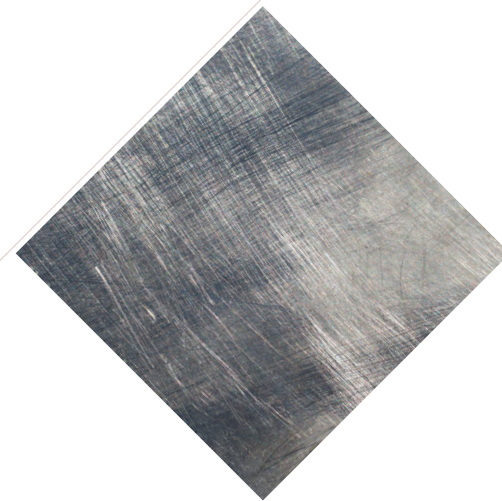
Our twice-yearly Committee meetings certainly drill down to the heart of our business, providing an insight into

developments past and present while also marking our card as to what might happen in the future. This was certainly the case with the innovative “fireside chat” hosted by Barry Hunter of Hunter Alloys at our meeting in Miami last June, which attracted two high-quality speakers who were prepared to talk candidly about their take on the market.

Paul Gielen of Cronimet Europe foreshadowed “a big change” in that Europe would be experiencing an oversupply of stainless steel scrap from 2014 onwards and would need to export material. And Simon Merrills of ELG Metals focused on the “dramatic shift” in the US stainless steel scrap market from an oversupply to a shortage “in under six months”.

So all in all, 2014 was a challenging year for the stainless steel scrap industry. Finally, I would like to close by thanking the BIR Stainless Steel & Special Alloys Committee for its faith in appointing me Chairman.

And just as importantly, I would like to pass on sincere thanks to my predecessor Mark Sellier of OneSteel Recycling for his dedication over a successful two years as the Committee's Interim Chairman.





Surendra Patawari Borad
Gemini Corporation NV (BEL)
Chairman Plastics Committee

Plastics Committee

24

Of all the commodity sectors under the BIR umbrella, none will have felt the impact of rapidly declining oil prices as keenly as those members involved in plastics recycling. The result has been a bout of exaggerated price volatility and business uncertainty, something to which we have learned to become accustomed over recent years...

... Over the same period, other familiar companions for plastics scrap businesses have been the emergence of new regulations and a mounting administrative burden. If 2013 was to become known as the Year of the Green Fence, then 2014 brought no relief from the flow of new controls governing our businesses' activities.

In 2014, China's AQSIQ reported that the previous year's import control regime had helped to bring about a general improvement in quality, although a proportion of arriving material was still deemed to have fallen outside of the country's environmental protection rules. Four reasons accounted for all but 14% of the recycled material disqualifications: common impurities exceeding standard; material not washed or not clean; strictly-controlled impurities exceeding standard; and material mixed with banned substances.

I make these observations because the plastics scrap market remains heavily dependent on what happens in Asia in general, and in China in particular. China remains a key outlet for many of the grades exported from suppliers in North America and Europe. Indeed, China and Hong Kong together accounted for 76%, or more than 1.5m tonnes, of US plastic scrap exports in January-November 2014, with shipments to China increasing 9% year on year and those to Hong Kong leaping 32%.

And as I have said on a number of occasions, I believe that Green Fence-style controls are ultimately in the long-term interests of everyone in our sector - from traders and recyclers, to the users of reprocessed plastics and the environment itself.

Given the importance of the Chinese market, I am delighted that Dr Steve Wong, Executive



KEY FACTS

Post-consumer plastics in Europe (per year):

9.5m tonnes → landfilled
6.6m tonnes → material recycling
8.9m tonnes → energy recovery

President of the China Scrap Plastics Association, has become an established and insightful contributor to our meetings and market report structure. Indeed, it was he who revealed to us at our Paris meeting in October last year that China's plastics recyclers were coming under increasing pressure from labour shortages and high wages relative to the rest of South East Asia.

“Green Fence-style controls are ultimately in the long-term interests of everyone in our sector – from traders and recyclers, to the users of reprocessed plastics and the environment itself.”

Turning to Europe, there has been a substantial increase in scrap processing capacity although recycling rates remain relatively low. Michel Loubry of the PlasticsEurope manufacturers association told us in Paris that landfilling remains the leading treatment option for post-consumer plastics in Europe, accounting for almost 10m tonnes per year compared to 6.6m tonnes for material recycling and 8.9m tonnes for energy recovery.

With exports such a major component of Europe's plastics recycling approach at present, it is frustrating to relate that the current Note Verbale system enshrined within EU regulation 1418/2007 effectively restricted member state exporters to just 74 country outlets in 2013; by contrast, the USA was able to ship plastics scrap to 160 countries in the same year.

Indeed, it was the American perspective that was well to the fore at our “Leading Expert Talk” held in Miami last June. And Bill Carteaux, President of US trade association SPI, used the occasion to call on the wider plastics industry to address the perceived lack of recyclability of plastic products and also the lack of post-consumer supply to meet demand.

As we headed from 2014 into 2015, the price of a barrel of oil hit a six-year low and further declines were predicted as global inventories increased. As matters stand, there is no reason to anticipate an end to low oil prices in the short to medium term - and values circulating in the plastics sector are likely to continue reflecting that fact.



Ruud Burlet
Rubber Resources BV (NLD)
Chairman Tyres Committee

Tyres Committee

26

Having now celebrated its 18th birthday, BIR's Tyres Committee can be said to have come of age. Barend Ten Bruggencate, the Committee's founding and sole Chairman until late last year, devotedly guided his creation through its first infant steps and subsequent growing pains. In carefully nurturing links with a vast array of other parties with an interest in tyre recycling, he developed the Committee from its humble beginnings into a focal point for debate and action in this important area. In so doing, he has massively advanced the cause as well as the lobbying presence of the tyres recycling sector...

... Barend's decision to step down as Chairman signals the end of one era and hopefully the start of a new one in which the Tyres Committee will continue to go from strength to strength. It is important to set the bar high and my avowed aim will be to grow the Committee through developing good relationships with all involved in the tyre production value chain, to the point where this important sector can achieve full Division status within the BIR world recycling organisation.

We started along this road with a landmark event at our gathering in Paris last October. In addition to the conventional plenary session of the Tyres Committee, a "Leading Expert Talk on Tyres Recycling" was organised to provide a platform for even deeper discussion of some of the key issues currently surrounding end-of-life tyres (ELTs).

Unsurprisingly, a prominent topic in Paris was the scope for ELT-derived materials such

as casings and granulate/powder to achieve end-of-waste status under the EU Waste Framework Directive. These would certainly seem to meet established end-of-waste criteria given that they enjoy existing use for specific purposes and are also in demand while at the same time posing no threat to the environment or to human health. Expert in the field Ross Bartley, BIR's Environmental & Technical Director, left delegates in no doubt that the path to end-of-waste status could be a rocky one, but the journey will be worth the effort given the fundamental importance of the goal. The word "waste" has unmistakably negative connotations and so end-of-waste status would improve not only the image of recycled material but also its competitive position.

The same Paris gathering also highlighted: the vital role of standards and standardisation in proving the tyre recycling industry's ability to produce and reproduce a consistent quality product time and time again; and the importance of continuing the push



“It is important to set the bar high and my avowed aim will be to grow the Committee to the point where this important sector can achieve full Division status within the BIR world recycling organisation.”

towards research breakthroughs in order to enhance tyre recycling, most notably in devulcanisation. Such innovation is needed given the ever greater maturity of existing markets for products derived from ELTs.

Over recent years, BIR has looked to reinforce its credentials as a source of top-notch information so that the recycling industry can throw the weight of numbers and facts behind its arguments when meeting with policy-makers and regulators, and our meetings in Paris and Miami last year represented mines

of useful recycling-related data. We learned, for example, that Europe continues to lead the world with its tyre recovery rate of 95%; that the vast bulk of ELTs used for energy recovery in Europe are consumed by cement kilns; and that other significant markets for ELTs in the USA include their use as a fuel in pulp/paper mills and as aggregate.

2014 was pivotal for our Committee while 2015 will be the first full year of its new era. I call on all interested parties to join in helping to make it a successful one.

KEY FACTS

Global end-of-life tyre volumes:

12m tonnes per year

End-of-life tyre recovery rate in Europe:

95%



Thomas Papageorgiou
Anamet Recycling Industry SA (GRC)
Chairman E-Scrap Committee

E-Scrap Committee

This year, it is anticipated that more electrical and electronic equipment will be marketed in China and India than was put on sale across the entire world just two decades ago. A similarly steep growth curve can also be found for e-scrap owing to consumers' desire to acquire the improved performance of latest-generation equipment, and also to what many perceive as the high cost of repair relative to replacement...

... It is estimated that e-scrap generation is currently running at a rate of 53m tonnes per year, but the figure will doubtless continue to rise in line with our fascination for - and the spread of - the latest gadgetry. For example, the United Nations is forecasting that, by 2020, the volumes of e-waste from old computers in India will be five times larger than in 2007.

Surendra Patawari Borad provided a deeper insight into the Indian market during our meeting in Miami last June: he suggested that some 100 registered dismantlers and recyclers operate nationwide but that around 90% of e-waste is handled by the informal sector.

Globally, the nature of e-scrap will also continue to evolve, thus forcing processors to be quick on their feet to adapt to changes. If, once again, we go back 20 years, we would have found that circuit boards, for example,

generally contained a significantly higher percentage of precious metals than they do today.

The "very dynamic" nature of our industry's feed material was emphasised at our meeting in Miami by Volker Pawlitzki of Aurubis' Recycling/Precious Metals Business Unit. Trends such as miniaturisation are leading to lower metal weights while waste electrical and electronic equipment (WEEE) regulations are generally making business "more and more complicated", he said. At the same time, materials derived from e-scrap often require intensive sampling and analysis, thus increasing financing demands.

Our sector plays a critical role and invests substantial sums of money in ensuring that: when hazardous pollutants are present in e-scrap, these are removed and properly treated; and that significant quantities of technologically critical materials, as well as



“Our sector plays a critical role and invests substantial sums of money in ensuring that: when hazardous pollutants are present in e-scrap, these are removed and properly treated; and that significant quantities of technologically critical materials, as well as base metals like copper and also plastics, are retrieved rather than consigned to the environmental cul-de-sac of landfill. It further promotes the repair/reuse of end-of-life equipment, contributing significantly to waste prevention.”

base metals like copper and also plastics, are retrieved rather than consigned to the environmental cul-de-sac of landfill. It further promotes the repair/reuse of end-of-life equipment, contributing significantly to waste prevention.

It is particularly pleasing, therefore, that the recycling industry has won the right to play a full part in a Basel Convention group designated to discuss the important question of whether non-functional, used electrical and electronic equipment should normally be considered waste. Thanks to the efforts of BIR's Environmental & Technical Director Ross Bartley and the US Institute of Scrap Recycling Industries' Associate Counsel Eric Harris, recyclers have been put on an equal footing with original equipment manufacturers in discussions which will provide the groundwork for Basel Conference of the Parties decisions relating to transboundary movements.

Nevertheless, there is still under-representation of the recycling industry in the drafting of e-scrap processing standards in Europe, as Emmanuel Katrakis - Secretary General of the European Recycling Industries' Confederation - pointed out at our meeting in Paris last year. This followed the suggestion from Maria Banti, WEEE Policy Officer at the European Commission's DG Environment, that further legislative developments could be imminent given a proposal for a delegated regulation that would require WEEE treatment beyond the EU's borders to take place in facilities offering the equivalent of what is available within the EU. At the same meeting, Mr Bartley examined the different rules imposed by the United Nations, OECD member countries and the EU with regard to transboundary movements of e-scrap.

Given the acknowledged importance of our sector, it should be of concern that BIR continues to receive numerous enquiries from confused members looking to plot a

legitimate course through this complex web of existing laws. I am sure they would all welcome greater harmonisation of legislation so that they know exactly where they stand and can make important business decisions accordingly.

Volumes of e-scrap generated annually
(2015 forecast): 53m tonnes
(see table below for breakdown of percentage contents and quantities)

Material type	Fraction (%)	Quantity (Mt)
Metals	60	32
Plastics	15	8
CRT & LCD screens	12	6.4
Metals/plastics mixture	5	2.7
Pollutants	3	1.6
Cables	2	1
Printed circuit boards	2	1
Others	1	0.5

KEY FACTS

Electrical and electronic equipment
marketed worldwide:

1995: 19.5m tonnes

2015 forecast: 76m tonnes



Olivier François
Galloo Group (FRA/BEL)
Chairman International
Environment Council

International Environment Council

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The number of export restrictions applied to raw materials has increased stratospherically over the last five years or so. And as illustrated at our Paris Convention in October last year, they can come in all sorts of guises – from export taxes, surtaxes, quotas and prohibitions to licensing requirements, minimum export prices, VAT reductions/withdrawals, customs clearance restrictions and qualified exporter lists, to name but a few...

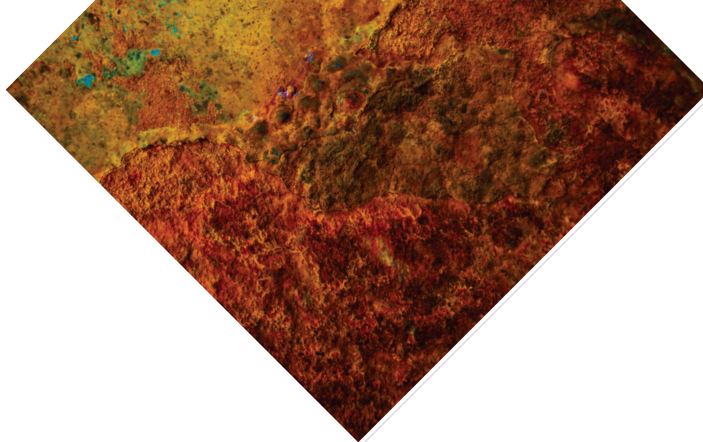
... As many as one-third of World Trade Organization members have restrictions in place, according to the OECD's recent, eye-opening publication "Export Restrictions in Raw Materials Trade: Facts, fallacies and better practices". Such measures are often introduced by governments primarily as a revenue generator, but it has been agreed in the highest echelons that the overall impact can often be negative.

An OECD workshop attended by BIR late last year highlighted the potentially detrimental effects of such measures, including deterring investment and undermining the viability of a country's scrap supply sector. Furthermore, OECD research indicates that efficiency gains can be made from simultaneous removal of export restrictions. It is for such reasons that BIR has welcomed OECD proposals for multi-lateral action to counter the harmful impact of restrictions of this type.

The fight against often counter-productive export barriers is a particularly important aspect of BIR's work at present given the effects on many of our members of falling raw material prices and increasing difficulties in finding customers to buy from them.

"Contrary to the fears and assertions of some vested interests, end-of-waste status is neither causing disruption to markets nor dramatically increasing scrap exports from the EU."





The International Environment Council (IEC) has also looked to secure better trading conditions for secondary raw materials by pursuing end-of-waste status at EU level for some of the commodities handled by our members. In this context, we welcome a major study from the European Commission's Joint Research Centre (JRC) which concluded that, contrary to the fears and assertions of some vested interests, end-of-waste status is neither causing disruption to markets nor dramatically increasing scrap exports from the EU. The study found "almost no evidence that end-of-waste has caused any negative impacts"; indeed, feedback from many quarters highlighted perceived benefits from the introduction of end-of-waste criteria for metal scrap, including a simplified regulatory framework as well as greater flexibility and legal certainty. There has even been evidence of price premiums for end-of-waste-compliant scrap over non-compliant scrap.

The continuing global proliferation of environmental regulations with a potential recycling impact ensured that the IEC remained busy on a wide array of fronts in 2014, including environmentally sound management (ESM) and extended producer responsibility (EPR). As explained at our meeting in Paris last October, we still have concerns about the different benchmarks that exist for ESM at the world level for industrialised countries and developing countries. And as regards the ever-growing number of EPR schemes around the world, there is a worrying lack of clarity in many cases surrounding ownership of material and business confidentiality.

Recyclers should also be concerned at changes that have taken place in international chemicals and waste legislation which may require them to know much more in future about the chemical constituents of the

substances they recycle, particularly as more thresholds will be set for certain elements in metal alloys and polymers above which recycling will be restricted or prohibited.

For the IEC, we can predict with absolute certainty that every year will be at least as busy as the one that preceded it. It is a rare event indeed to draw a line under a particular issue or to tick a box saying "no more work required". Our role within BIR demands that we remain constantly vigilant with regard to existing regulations and even to the potential direction in which policy-makers may head, ensuring an almost constant flow of new documents and proposals for our scrutiny.



Robert Voss CBE
Voss International Ltd (GBR)
Chairman International
Trade Council

International Trade Council

I began my report for 2013 by stating that it had been “a difficult year of trade for most BIR members”. Twelve months on, unfortunately, the situation has certainly not improved across most, if not all, of the commodities traded by BIR members...

... The International Trade Council (ITC), however, remains busy as ongoing issues affecting our day-to-day trading have, if anything, increased in number and complexity.

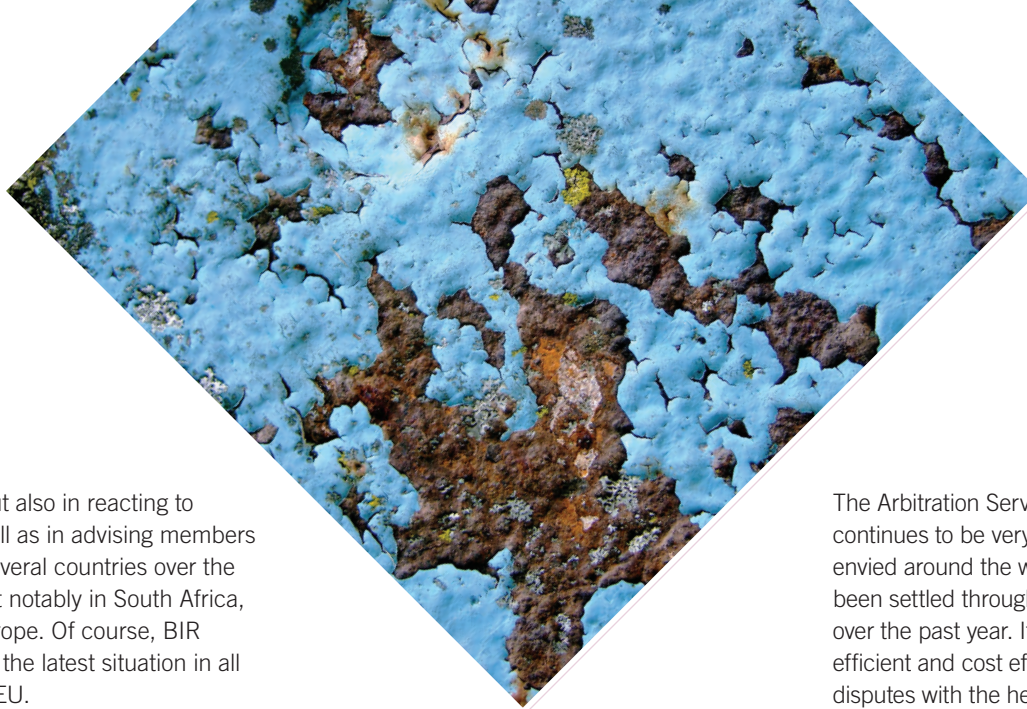
During our well-attended annual workshop in Miami last June, three excellent speakers addressed diverse subjects: Bob Yang from CIQAR spoke about China’s scrap import policies and the current situation relating to AQSIQ licences; Tshanda Kalombo, Senior International Trade Specialist at the US Department of Commerce, gave her views on transatlantic trade, especially pertaining to our commodities; and Ray Fernandez, Vice President of Sealock Security Systems, reopened the debate about container security and how to prevent theft.

Indeed, theft remains at the forefront of the ITC’s workload and continues to be a major problem both on a micro and macro basis. It is evident that containers are still being

broken into with alarming regularity and in an obviously organised manner at certain transit ports around the world – an issue of major concern to our industry as a whole. The ITC is continuing to monitor the situation and a further survey of members will, it is hoped, give us more data to assist us in this ever-growing battle.

In Miami, we held a joint meeting with the US Institute of Scrap Recycling Industries’ Trade Committee, at which a number of items of mutual interest were discussed, including among many others: theft; trade promotion; export controls; quality control measures; and shipping industry relationships. The meeting was extremely beneficial to both parties and I am sure similar gatherings will follow with other national associations.

The key role of the ITC is to monitor and act upon any attempts to interrupt the free flow of our materials around the world. The Council has been constantly busy on this front, not



only in monitoring but also in reacting to developments, as well as in advising members and federations in several countries over the last 12 months, most notably in South Africa, Asia and Eastern Europe. Of course, BIR continues to monitor the latest situation in all areas, including the EU.

Through the ITC, we maintain our membership of the International Maritime Bureau. Once again, members are urged to utilise its huge database for all aspects of trade, including verifying the credentials of customers, shipping lines, clearing agents, ports, etc. It is also important that BIR members contribute to this ever growing and vital database.

The ITC continues to monitor other trade flows and potential disruptions as well as licencing issues worldwide. And once again, we rely upon BIR members to inform us of any potential disruptions to those flows.

“Containers are still being broken into with alarming regularity and in an obviously organised manner at certain transit ports around the world – an issue of major concern to our industry as a whole.”

The Arbitration Service offered by BIR continues to be very well respected and even envied around the world; several disputes have been settled through this service to members over the past year. It continues to offer an efficient and cost effective method of settling disputes with the help of one's peers who are experienced in each sector of our trade.

Once again, I would like to thank members of the ITC Committee, together with Alexandre Delacoux and the entire Brussels secretariat, for their continued support of the work of the ITC.

2015 starts with the world in a delicate state, with falling oil prices leading to lower commodity prices, demand weak in many key markets, deflation in Europe threatening another Euro crisis, and instability in many important areas of the world. Let us hope that our recycling sector steps up to the many challenges now facing it and that the ITC will continue in its quest to remove many of the barriers restricting free trade of our materials.



Case study:

Shipping: Profit-Maker and Profit-Breaker


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Irrespective of a company's specific recycling activity or activities, transportation represents a crucial component of its operations and cost structure. For scrap processors, dealers and brokers, the price of moving material from point A to point B can be either a profit-maker or a profit-breaker. Therefore, they must develop close relationships with shippers as well as an intimate knowledge of the shipping market...

... In common with secondary raw materials, the transportation market is complex, dynamic and subject to volatility. Undoubtedly, the most startling trend in recent years has been towards ever-larger vessels available for carrying scrap and other goods. When the CSCL Globe embarked on its maiden voyage in December last year, it became the largest-ever container ship ever put to sea, with the capacity to carry 19,100 standard 20-foot boxes. And yet its record-breaking status lasted barely a month following the inauguration of Mediterranean Shipping Company vessel Oscar, whose capacity extends to 19,224 containers.

Traditional business logic would tend to suggest that the development of ever-larger vessels should drive down costs for customers but a host of other factors must be taken into consideration. Particularly when freight rates are falling, shippers have the option of reducing availability - such as by cancelling shipments - and thereby inducing a rate increase.

Deep-sea and short-sea shipping are not the only components in the transportation equation: secondary raw materials are also moved by truck, train and barge on a daily basis, and often use a combination of these modes when travelling from supplier to customer. Often the shortest legs of these journeys are the most expensive: for example, the kilometre-for-kilometre cost of moving scrap by road or rail across Europe can dwarf the costs of shipping scrap by sea from the USA or Europe to the Far East.





“For scrap processors, dealers and brokers, the price of moving material from point A to point B can be either a profit-maker or a profit-breaker. Therefore, they must develop close relationships with shippers as well as an intimate knowledge of the shipping market.”

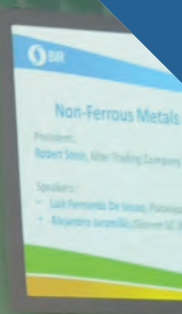
Recycling companies need to be expert in the interplay between these various modes to ensure they adopt the most viable option for each cargo. They also need to be aware of local issues and possible bottlenecks, recent examples of which include winter ice class limits in the Azov Sea region and the port labour disputes seen in the USA.

Given its importance to our members, BIR has looked to develop close relationships with the shipping industry, experts from which have been regular contributors to our twice-yearly conventions. Principally through the efforts of BIR's International Trade Council, these links have become even closer over recent years, partly because of a surge in thefts from container loads of scrap during transit.

Through our world organisation's membership of the International Maritime Bureau (IMB), which is the crime-fighting unit of the International Chamber of Commerce, BIR members have free-of-charge access to a colossal IMB database that will allow them to verify the validity and good standing not only

of shipping companies but also of prospective new customers. The database can also help recyclers identify specific ports or regions where theft or other shipping-related problems appear particularly acute, and it can provide updates on any shipping line issues. This is a two-way process: BIR members can also contribute to the IMB database and thereby alert others to negative experiences and potential problems.

This invaluable resource has already proved of real worth to some recycling businesses and is just one example of how the BIR is helping its members to trade more efficiently and, hopefully, more profitably.



2014 World Recycling
Convention & Exhibition



(1) 2-4 June 2014
Miami (USA)
Fontainebleau Hotel





Special Committees

The BIR Special Committees deal with organisational and administrative matters concerning the general structure of the organisation.



Mark Sellier

OneSteel Recycling Hong Kong Ltd (CHN)
Chairman Convention Committee

Convention Committee

It's been an exciting and challenging year for the Convention Committee...

... We have been actively searching for a professional convention manager to join the team in Brussels. Conventions are such a key part of the many services provided to all our members that a dedicated professional is essential to the continuing development and success of our twice-yearly events in the face of growing competition. This search has also formed an important part of the succession planning process following the retirement of Francis Veys, who developed and oversaw the conventions during his tenure as Director General and who has remained as Special Advisor over the past year. It is impossible to overstate his contribution to our conventions over the years.

Following a rigorous recruitment process, we arrived at a short list of two candidates - both highly-experienced convention organisers on behalf of large associations - and the position was duly offered to Anja Wimmer who will assume the role in March. We look forward to welcoming her to the convention team.

In addition, a new task force has begun a review of all aspects of our conventions to ensure they continue to be the meeting-place of choice for global recycling professionals.

Typically, our May/June convention includes an exhibition where service providers to our industry who are also members of BIR can showcase their offering. To better serve this specific group of important members, an Exhibitors Committee has been created by the President. Its leader Rolf Gren joins the Convention Committee and his input completes the circle of interested parties within BIR membership who are involved in our work.



“A new task force has begun a review of all aspects of our conventions to ensure they continue to be the meeting-place of choice for global recycling professionals.”

BIR conventions continue to be the highlight of the global, recycling-related congress calendar, and few who attended our Miami event will forget it. From the stunning location to the packed programme and the Latin America-themed welcome reception, it was extremely well attended by our members. We also welcomed many delegates from Latin America itself, as had been our focus in the lead-up to the convention. With our North American membership group being one of our largest, it was great to see so many of them in attendance too.

Our October meeting in Paris was also very well attended. The location was easy to access for most while the accommodation and convention space was adequate for BIR's needs.

Part of the aforementioned task force's work will involve evaluating the possibility of moving away from hotels to convention centres from time to time. Our convention offering is restricted by the number of hotels that can handle our numbers,

but on the other hand many convention centres are too large for our needs.

Our convention programmes are always full and industry-relevant. I'm mindful of the dedication and effort that the various boards and committees invest in making this happen time and time again. It's not easy to come up with ideas and willing presenters on a regular basis, but they are so proficient that we battle to fit everything into our compact conventions.


Personally, I'm looking forward to May this year when we will return to Dubai - the location in 2009 of BIR's first-ever convention in the Middle East. This dynamic city, with its close proximity to India which is a major market for so many of our divisions, will be the event to attend in 2015. Subsequently, we meet in Prague, Berlin and Amsterdam, and for 2017 we are exploring the possibility of a return to Hong Kong after an absence of 20 years.

In my role as Convention Chairman, I am privileged to interact with all areas of the secretariat and with all the boards and special committees. Their commitment makes my task much easier, and I offer my sincere thanks to all of them.

Your feedback on our conventions is important to us. Feel free to share your views, comments and ideas by contacting me via the secretariat or introducing yourself to me at a convention.



BIR
PARIS 2014

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Kamiel van Wijk

Aurubis Netherlands BV (NLD)

Chairman Communications Committee

Communications Committee

2014 was yet another year full of challenges for the recycling industry and, by extension, for the BIR and its members across the globe. With recycling markets under pressure from commodity prices, scrap availability and regulatory issues, businesses were trying hard to keep pace...

... As an international trade association, BIR's foremost task is to provide added value for its members, particularly with regard to information dissemination and communication between companies and individuals. In an era when social media and smartphones allow 24/7 access to data and when communication tools are omnipresent, the recycling industry continues to value the "face-to-face" business approach witnessed during our well-attended, twice-yearly conventions.

As in previous years, a major part of the BIR's communications work in 2014 was focused on the promotion and content of our conventions in Miami and Paris, while at the same time enhancing the framework conditions for our members to meet and do business together. In order to attract business people from all parts of the globe, extensive media campaigns are conducted to ensure that the conventions receive coverage well in advance of the actual event in the local/national press, in the general international media and, of course,

in our much-appreciated trade journals. Last year, we offered additional content at our conventions in the form of special programme features, with the International Textile Recycling Summit in Miami and the launch of a new format of extended plenary sessions entitled "Leading Expert Talks", allowing a more in-depth analysis of topics with increased speaker attendance. This new meeting style was adopted for plastics in Miami and for tyres in Paris, and we plan to offer more of these at our future events.

During the Miami convention, we also introduced a new video aimed at promoting textiles recycling in general and the efforts/achievements of the BIR Textiles Division in particular. This video was made available to our members who are active in textiles recycling for putting on their company websites and for showing to their local or national authorities. Our objective is to develop further video material covering all our commodities because this represents a

“Last year, we offered additional content at our conventions in the form of special programme features, with the International Textile Recycling Summit in Miami and the launch of a new format of extended plenary sessions.”

very efficient and appealing tool for conveying important messages about recycling to the wider public. With this in mind, we also produced a video on last year's Annual Report which can be accessed via our website - an additional service that we have been offering for several years now.

Development of the BIR's "Statistical Observatory" has been an ongoing task. With the completion of the fifth edition of our ferrous statistics, the publication of the second edition of our paper statistics and preparatory work on a second edition of non-ferrous statistics, the BIR is aiming to offer a complete set of reference data for the recycling industry. Together with BIR World Mirrors covering almost all of our commodities, these publications provide an exceptional summary of market developments and data.

In 2014, our global recycling organisation benefitted from the active involvement of its leadership, and the participation of

BIR representatives in conferences and high-level meetings remains one of the most effective ways of promoting our world body. When our leaders demonstrate their competence and know-how in this way, the result is the wider spread of BIR's reputation.

My special thanks go out to the members of the Communications Committee who devote time and effort to helping our organisation to grow and improve, as well as to the dedicated team at BIR headquarters in Brussels and everyone else who supported the Committee during this challenging year. Tremendous results were achieved and I am looking forward to the challenges that 2015 holds because they certainly make life more interesting.





Michael Lion

Sims Metal Management Asia Ltd (CHN)
Chairman Membership Committee

Membership Committee

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The BIR continues to reflect the progressive growth as well as the changing shape and needs of the recycling industry globally. This is demonstrated most particularly through the composition of our membership both at the individual and national federation level...

... Today, the worldwide membership structure of the BIR reflects both the complete diversity and the economic flows of the international recycling industry being drawn from all corners of the globe. Consequently, the BIR is not only able to pursue and articulate the needs and aspirations of the recycling industry as its one global voice at supra- and inter-governmental levels, but is also able to do so with a unique degree of credible authority, unfettered by individual sovereign interests and as the sole multi-national voice of the international recycling industry.

Our organization is able to provide to our members the protection of their interests while also advancing the optimal course of understanding and definition of the regulatory aspects that increasingly impact their industry.

The diversity of our global membership and the BIR's worldwide authority enable our members to enjoy a global reach through the crucial commercial benefits of networking

exemplified in our bi-annual convention meetings, both in terms of exposure to personal interaction and of fresh and diverse locations around the world, providing truly global experiences.

The Membership Committee is tasked with attracting new, worldwide additions to the BIR's membership roster, rigorously examining each application to ensure such aspirants are wholly committed to adhering to the high standards and ethical requirements that are a key feature of the organization's rules and regulations and membership obligations.

As exacting as such vetting is, it is neither practical nor realistic to anticipate such measures can ever be an all-encompassing guarantee of individual performance; none the less, it is the overwhelming adherence and commitment of our members themselves to the highest standards that is the ultimate primary guardian of this objective.



“The diversity of our global membership and the BIR’s worldwide authority enable our members to enjoy a global reach.”

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The membership’s increasingly global composition this year included the addition of 68 new members to our roster to give a total of 812 from 69 nations around the world. Our growing membership footprint from our initial base in Europe in our formative years to the four corners of the globe today more than ever underscores our universal constituency.

Maintaining sensitivity to the evolving nature of our industry and the consequent needs of

our membership in this context is a continuous priority of our membership programmes. While constantly vigilant in this regard, we recognize the high priority of re-enforcing and invigorating those aspects and features already so highly valued by our members as essential elements.

Among the most highly prized of those services are: networking opportunities, most valuable of which are our twice-yearly conventions, located to reflect both the regional relevance and global diversity of our membership, trade and regulatory interaction and engagement; as well as, and where required, arbitration services and mediation.

It is evident that the variety and range of our significant membership benefits have enticed the on-going interest of new applicants for BIR membership as well as sustaining our existing members.

With the potential for engaging with the leading global players in the international

recycling industries, whether it be via our bi-annual meetings that provide truly unrivalled potential encounters and interaction with industry counterparts and consequent international connections; the chance to share new technical research and industry data, and identify the many new international commercial and legislative developments impacting our industry; or ultimately participating in the work of the organization’s divisions and special committees, the opportunities provided by BIR membership have encouraged a bounty of new companies to join our ranks and expand the truly global reach and constitution of our organization.

A compendium of programmes – including multi-national company memberships, partner memberships and the Membership Toolkit – continues to provide, along with modifications of these, further new initiatives that are presently emerging, an energizing prospect for 2015.

Guest Speakers at BIR World Recycling Conventions in 2014

Miami, 2-4 June 2014

TEXTILES DIVISION

- **Alexander Gläser**, *Notary* (Germany)
- **Timo Perschke**, *Founder*, PYUA - Ecorrect Outerwear (Germany)

TYRES COMMITTEE

- **Kees van Oostenrijk**, *Director*, RecyBEM (The Netherlands)
- **Charlie Astafan**, *General Manager*, Columbus McKinnon Corp (USA)

NON-FERROUS METALS DIVISION

- **Luis Fernando De Souza**, *Paranapanema S.A.* (Brasil)
- **Alejandro Jaramillo**, *Founder*, Glorem SC (Mexico)

INTERNATIONAL TRADE COUNCIL

- **Tshanda Kalombo**, *Senior International Trade Specialist*, Office of the European Union, Global Markets Unit, International Trade Administration, U.S. Department of Commerce (USA)
- **Bob Yang**, *CIQAR* (China)
- **Ray Fernandez**, *Vice President*, Sealock Security Systems, Inc (USA)

STAINLESS STEEL & SPECIAL ALLOYS COMMITTEE

- **Simon Merills**, *President & CEO*, ELG Metals, Inc (USA)
- **Paul Gielen**, *Director Sales*, Cronimet Europe (Germany)

KEYNOTE SESSION

- **Jason Schenker**, *President*, Prestige Economics, LLC (USA)

PAPER DIVISION

- **Otavio Pontes**, *Vice-President - Business Development*, Stora Enso Biomaterials (Brasil)
- **George Chen**, *President*, G&T Trading International Corp. (USA)

INTERNATIONAL ENVIRONMENT COUNCIL

- **Russell Fraker**, *Attorney*, Beveridge & Diamond, P.C. (USA)



Paris

27-28 October 2014

FERROUS DIVISION

- **Renate Cakule**, *Steel Market Analyst*, Wood Mackenzie (UK)
- **Christopher Plummer**, *Managing Director*, Metal Strategies Inc. (USA)

SHREDDER COMMITTEE

- **Dan Pflaum**, *President*, Gamma-Tech, LLC (Germany)
- **Abdullah Hosdir**, *ICDAS A.S.* (Turkey)

PLASTICS COMMITTEE

- **Maite Quinn**, *Business Development & Marketing Manager*, SIMS Municipal Recycling (USA)
- **Tamsin Ettetfagh**, *Vice President*, Envision Plastics (USA)
- **James Glauser**, *Senior Consultant –Chemical Economics Handbook Program*, ISH (USA)
- **Bill Carteaux**, *President & CEO*, SPI: The Plastics Industry Trade Association (USA)
- **John Standish**, *Technical Director*, Association of Postconsumer Plastic Recyclers (USA)
- **Dawn Gaines**, *Sales Manager for Non-Fiber Materials*, Rocktenn (USA)
- **Hamilton Wen**, *Director, Plastics Division*, Newport CH International, LLC (USA)
- **Dr. Steve C.K.Wong**, *Executive President*, China Scrap Plastics Association, *Managing Director*, Fukutomi Company Limited. (China)

TEXTILES ROUND-TABLE

- **Mathieu Hestin**, *Director*, BIO Intelligence Service S.A.S by Deloitte (France)
- **Andrew Gilbert**, *Key Account Manager*, WRAP (United Kingdom)

PLASTICS ROUND-TABLE

- **Naemi Denz**, *Managing Director*, VDMA Waste Treatment and Recycling Technology (Germany)
- **Michel Loubry**, *Director West Region*, PlasticsEurope (France)

FERROUS ROUND-TABLE

- **Hans Jürgen Kerkhoff**, *President*, German Steel Federation (Germany)
- **Björn Voigt**, *Managing Partner*, Active M & A Experts GmbH (Germany)

E-SCRAP COMMITTEE

- **Maria Banti**, *Policy Officer WEEE*, DG Environment - Waste Management Unit, European Commission

PAPER ROUND-TABLE

- **Christina Dornack**, *Head of Department Raw Materials and Recycling*, Papiertechnische Stiftung-PTS (Germany)

NON-FERROUS METALS ROUND-TABLE

- **Professor Philippe Chalmir**, *Founder*, Circle Cyclope, *Lecturer*, Paris Dauphine University (France)
- **Alessandro Giraudo**, *World Group Chief Economist*, Tradition-Viel Group (France)
- **Patrick Verschelde**, *President & CEO*, Metallum Group Holding (Belgium)

“LEADING EXPERT TALK” ON TYRES RECYCLING

- **Vilma Dierkes**, *Associate Professor Elastomer Technology and Engineering*, University of Twente I Faculty of Engineering Technology (The Netherlands)
- **Catherine Clauzade**, *Director*, Reevalu (France)
- **Kees Van Oostenrijk**, *Director*, RecyBEM (The Netherlands)
- **Jean-Philippe Faure**, *R&D Manager*, Aliapur (France)
- **Alfred Rosales**, *Director General*, FEDEREC (France)

TYRES ROUND-TABLE

- **Ruud Burlet**, *Managing Director*, Rubber Resources B.V. (The Netherlands)
- **Jean-Pierre Taverne**, *Coordinator Environment & ELT Technical Support*, ETRMA (Belgium)

Calendar of Future BIR Conventions

2015

(17) 18-20 May
Dubai

UAE
Intercontinental Hotel
at Festival City

2016

(29) 30 May-1 June
Berlin

Germany
Intercontinental
Hotel

(25) 26-27 October
Prague

Czech Republic
Hilton Hotel

(23) 24-25 October
Amsterdam

The Netherlands
Okura Hotel



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