

An abstract graphic on the left side of the cover. It features a series of vertical arrows pointing upwards and horizontal arrows pointing to the right. The arrows are in various colors: orange, brown, green, grey, red, and blue. Some arrows have a textured, metallic appearance. They are arranged in a way that they seem to intersect and flow together, creating a sense of movement and direction.

# PROCEEDINGS

of the Plenary Sessions

---

*24-25 October 2011 - Munich*

---

---

## Contents

---

### **Textiles Division** **Page | 4**

- *Volume drop-off*
- *Illegal competition and theft*
- *Shortage to continue*
- *“At no time waste”*
- *Input invited*
- *Affiliate membership offer*
- *Perception an issue*

### **Plastics Committee with a Special Focus on WEEE** **Page | 8**

- *Slight erosion*
- *“Absolutely dormant”*
- *WEEE focus*
- *Problem component*
- *Too small for recovery*
- *Huge number of jobs*

### **Non-Ferrous Metals Division** **Page | 11**

- *“Protectionist movements”*
- *Increasing nervousness*
- *More pessimistic*
- *Strictly enforced*
- *Pace-setting South America*
- *Value-retention history*
- *Investor nerves*
- *“Flexing” with demand*

## Stainless Steel & Special Alloys Committee

Page | 16

- *New capacity*
- *Fewer deleterious elements*
- *“Uncertain” outlook*
- *Not anxious buyers*
- *Difficult to obtain money*
- *Weak results*

## Workshop on Arbitration

Page | 20

- *Specific time periods*
- *“Job well done”*

## International Environment Council

Page | 22

- *“Key platform”*
- *Three to five years*
- *Serious problem*
- *Code of conduct*
- *Not the recycler’s fault*

## Ferrous Division

Page | 25

- *Reluctant to commit*
- *Higher steel production*
- *Fall in imports*
- *Rapid recovery “unlikely”*
- *Stable market*
- *“Considerable uncertainty”*
- *Environmental focus*
- *Enthusiasm for sustainability*
- *Cautious on investment*

## Paper Division

Page | 31

- *“Passion” for recycling*
- *ERPA activities*
- *“Not the answer”*
- *Strict procedures*
- *Developing quality and quantity*
- *Focus on Japan*
- *Exports under threat*

## Tyres Committee

Page | 35

- *Landfilling decline*
- *Maximising consumer confidence*

---

## Textiles Division

---

*“Unauthorised” collection containers had been undermining established recycling operations....*

Having welcomed new members of BIR, Textiles Division President Olaf Rintsch of Germany-based Textil Recycling K&A Wenkhaus GmbH confirmed that a hold had been put on the process within the EU to devise end-of-waste criteria for used textiles and that the issue was raising the question - notably in Germany - as to whether used clothing should ever be considered “waste”.

He went on to express concern over the proliferation of “unauthorised” collection containers which were proving detrimental to established recycling businesses, urging action on this matter. He then described the market for originals as “very competitive” while feathers and footwear were attracting good demand at decent prices. Wipers were also proving easy to sell but higher prices were required, he added.

### *Volume drop-off*

Voicing similar concern over the actions of “those who do not follow the law”, the division’s Honorary President Klaus Löwer of Hans Löwer Recycling GmbH, also of Germany, noted that a continuing lack of raw material had prevented sorters from building winter stocks. Japan had witnessed a 10% drop-off in collection volumes while wiper demand had now mounted a recovery after falling sharply in the aftermath of the country’s major earthquake in March 2011.

In the USA, he continued, prices of originals had climbed between 10% and 25% depending on the region as the public was appearing to keep clothing for longer, leaving graders with virtually no stock. Meanwhile, prices for wipers in America had increased by 10-20%.

Having offered his support to the US Council for Textile Recycling in its bid to boost the sector, Mr Löwer lamented that the used textiles industry faced discrimination and denigrating comments.

### *Illegal competition and theft*

According to Alan Wheeler of the UK’s Textile Recycling Association (TRA), yields from collections were decreasing as “both legal and illegal” competition increased and thefts continued. He also pointed to problems in obtaining clothing from France as well as to an increase in operating costs and “uncertainties” in export markets.

The political unrest in Libya had had an impact because many of the African countries that imported used clothing were heavily reliant on this country's oil, including Tanzania, Uganda and Kenya.

"A lot of good work" had been carried out in the UK to thwart bogus charity collectors and criminal gangs which steal from legitimate enterprises, continued Mr Wheeler. The UK's National Fraud Intelligence Bureau had undertaken a nationwide campaign to raise awareness among law enforcement agencies of the seriousness of charity bag fraud. A number of police operations had been conducted in recent months, leading to arrests and the closing down of several illegal operations.

The TRA had helped, meanwhile, in the development of a tool-kit designed to assist trading standards officers in securing prosecutions of clothing collectors who gave the false impression that they were charitable in nature.

Mr Wheeler also mentioned: the launch of charity bag guidance from the National Association of Licensing and Enforcement Officers; and the renewed impetus given to the Sustainable Clothing Roadmap since its running was handed over to the Waste & Resources Action Programme.

### ***Shortage to continue***

According to divisional board member Sauro Ballerini of Italy, high temperatures had persisted into October and so reduced demand for winter clothing, leading to lower collection volumes. Therefore, there was anticipation of a continued shortage of originals and of prices remaining at high levels for the rest of the year. Higher prices had been recorded for feather pillows but levels were now thought to have peaked, he went on to say.

As regards export business, the unrest in Egypt had adversely affected demand for used clothing while the Indian market had also slowed. In contrast, strong demand had been forthcoming from Indonesia, said Mr Ballerini.

Pol T'Jollyn of NV Recutex in Belgium emphasised that the domestic industry was facing strong competition from the social economy and that there was "a long way to go" to solve the problem of subsidised competition. And divisional Vice President Mehdi Zerroug of Framimex pointed to a severe shortage of originals in France where demand was far higher than supply. He highlighted the emerging practice of setting up containers near official ones but without proper authorisation, and also alluded to thefts from containers.

### ***"At no time waste"***

Michael Sigloch of Gras & Sigloch GmbH & Co. stressed the belief within the German Federal Association of Secondary Raw Material and Waste Management (BVSE) that textiles and footwear were "at no time waste" and so should never be considered under end-of-waste procedures.

The public donated an item of clothing or shoes on the specific understanding that they would be used again, he argued. Although some items in containers should not have been placed there, it was unfair to declare the rest to be “waste” under these circumstances, he added.

While he accepted that other EU member countries would have differing opinions and that consensus would be difficult to achieve, he insisted that the sector in Germany was prepared to defend its position on this subject.

### ***Input invited***

The first of two guest presentations was delivered by Dina Mehta, Textile Consultant with the European Outdoor Group. She explained that this organisation, which represents the common interests of the outdoor industry, had established a sustainability working group aimed at improving the sector’s environmental footprint. She outlined its structure and the parameters being addressed before inviting input from clothing recycling experts in order to drive forward and develop the end-of-life management of group members’ garments. She spoke of the goal of devising a single-page document to describe end-of-life status, covering statistics, recycling routes and how to contribute.

Mr Löwer suggested co-operation with such ventures could help to improve the standing of the textiles recycling industry.

### ***Affiliate membership offer***

Kilian Hochrein of US-based garment producer W. L. Gore & Associates then spoke on behalf of the Sustainable Apparel Coalition (SAC) whose members represent around 30% of global apparel retail value. Having noted that sustainability was “going mainstream” in the apparel industry, Mr Hochrein explained that even the largest brands in this sector had realised that they “can’t go it alone” and so had agreed to come together in a coalition, achieving “unparalleled” consensus in a short period of time.

He outlined progress towards the implementation of an SAC Apparel Index for brands and products covering life-cycle indicators from materials and packaging through to end of life. Having highlighted initiatives undertaken by brands such as M&S and Patagonia, the speaker went on to address some of the myths and assumptions surrounding the sustainability issue, such as “closed loop is perfect”. While knowledge of recycling was “limited”, the scope for innovation was substantial, according to Mr Hochrein, who closed his presentation by confirming that this recently-developed entity would welcome the recycling industry into affiliate membership.

### *Perception an issue*

Following these presentations, Mr Wheeler again underlined progress with the Sustainable Clothing Roadmap in the UK and expressed the hope that a similar initiative could be tried at EU or even world level. For his part, Mr Zerroug agreed that the public perception of recycling was a significant issue and called for use of the word “donation” to be banned.

In response to a question from the floor, Mr Hochrein said the move towards indices reflected the drive within the apparel sector to make sustainability “more fact-based” rather than simply a marketing play. Ms Mehta accepted that brands “have a lot of catching-up to do” but that progress would come in time.

Mr Rintsch suggested the professional textiles recycling industry was well-placed to help with such initiatives.

At the meeting, Mr Ballerini, Mr T’Jollyn, Mr Sigloch and Rainer Binger of FWS GmbH & Co. KG in Germany were re-elected to the BIR Textiles Division board.



---

## Plastics Committee with a Special Focus on WEEE

---

*Existing data suggested that the world recycling industry was worth approaching half a trillion US dollars and employed upwards of 20m people....*

“A golden future” could well lie ahead for the rapidly-expanding recycling sector and for plastics recycling in particular, it was suggested by BIR Plastics Committee Chairman Surendra Borad of Gemini Corporation NV of Belgium.

In an extrapolation of available data from the USA and China, he arrived at the conclusion that the global recycling industry was worth upwards of US\$ 500bn per annum and employed as many as 20m people around the world. The industry “is growing at a tremendous rate that is faster than GDP”, he said.

He added that consideration of “end-of-waste” criteria for plastics scrap - along the same lines already followed by iron/steel and aluminium scrap - had the potential to boost the industry significantly in the EU.

### *Slight erosion*

According to Gregory Cardot of Veolia Propreté in France, prices of all qualities of primary plastic on his domestic market had been stable at high levels since the beginning of 2011 although lower demand since September had led to slight price erosion. For the first time in a number of years, significant quantities of off-grade and off-spec materials - mainly polyethylene and polypropylene - had been offered on the market by producers, he noted.

Turning to the secondary market, the speaker suggested that volumes of quality regrind and reprocessed materials had been barely sufficient to cover demand in his domestic market and that this would probably prevent prices from falling too far. Having noted a slight drop-off in activity levels for French recyclers since mid-October, he said that prices for baled PET bottles from household collections had been 30% higher on his home market than elsewhere in Europe, although the situation had calmed down in more recent days.

For China, meanwhile, Mr Cardot reported that there had been significant problems at ports and that the market was “under pressure”.

### ***“Absolutely dormant”***

Mr Borad described the Indian market as “absolutely dormant” as many company licences to import plastics scrap had not been renewed. India’s domestic recycling industry, on the other hand, “is doing extremely well” and had been said to have achieved a recycling rate of 47%, he added.

It was unfortunate, said Mr Borad, that India did not encourage imports of plastics scrap. However, this stance dovetailed with that of some groups in Europe that would like to restrict exports of plastics scrap from the old continent, even though it was doubtful whether there would ever be enough capacity in Europe to recycle the total generated within its borders. The same argument applied to other recyclables - including steel scrap and recovered paper - in which Europe generated a surplus. Such export restrictions would “artificially” reduce domestic prices and render the collection of scrap less attractive, he argued.

### ***WEEE focus***

Having contended that prices in the USA were “under pressure” and that supplier prices were expected to fall sharply in the near future, Mr Borad turned the focus of the meeting on to waste electrical and electronic equipment (WEEE), noting that the European Parliament would like 85% of this stream generated over the previous two years to be collected by 2016 even though the existing Council of Ministers’ proposal had the figure at 65%. The market had huge potential but also threw up major environmental and technical challenges, he said.

Tilman Baehr from the Hamburg Ministry of Urban Development and Environment in Germany began his presentation - entitled “Shipments of plastic scrap from WEEE: opportunities and requirements” - by clarifying the legal status. He confirmed that the revision of the EU’s WEEE Directive was “close to the finishing line” after reaching the second reading stage in the European Parliament.

### ***Problem component***

Mr Baehr went on to insist that, in his opinion, plastic derived from WEEE was “waste”. He identified brominated flame retardants (BFRs) as a key problem component and acknowledged as “a disadvantage” the fact that no binding thresholds had been set for them. Having informed delegates that the European Commission had created an FAQ paper to help explain EU thinking in this area, the speaker expressed the personal view that BFR-rich scrap should not be shipped to China for incineration.

Mr Baehr then outlined circumstances in which notification procedures did - or did not - apply between the EU, OECD and other countries, and noted that the take-back obligation applied to shipments of green-listed “waste” if

problems occurred. In summary, he said that better sorting of the waste at the point of origin would lead to fewer restrictions down the line.

### *Too small for recovery*

Described by Mr Borad as a pioneer in his field, Dr Rainer Koehnlechner, owner and Managing Director of separation specialist Hamos GmbH of Germany, addressed separation technologies for mixed WEEE plastics. Made up of more than 60 different polymer types, many of the fractions in WEEE were too small to be recovered viably; but given that the EU was setting high recovery rates for electronics, “we need to do something with the plastics”, he said.

Having argued that near infrared and X-ray technologies could take out only “bright” plastics, and then after several passes, he maintained that recovery of high-purity polymers from this stream was certainly possible. He pointed by way of example to sink/float technology incorporating a special salt solution suitable for subsequent electrostatic separation. Through its technology innovations, his company had been able to separate out ABS, polypropylene and polystyrene at purity levels of more than 98.5%, he pointed out.

Capable of performing tests on customers’ specific materials, the company’s Wersag facility near Dresden in Germany operated on a three-shift basis and had been achieving production rates of more than 2 tonnes per hour, he added.

### *Huge number of jobs*

Prior to a question-and answer session, the President of the US Institute of Scrap Recycling Industries (ISRI), Robin Wiener, shed more light on a recent study commissioned by her organisation into the economic impact of the scrap recycling industry in America. One of the key findings, she revealed, was the huge number of jobs directly and indirectly supported by the industry.

Dr Koehnlechner then confirmed that reject streams from the process outlined in his presentation were consigned to incineration. Having said that plant costs depended on a customer’s exact requirements, he underlined the considerable amount of work invested in finding a salt solution that would not neutralise the electrostatic charge. Also in response to a question, Mr Baehr spoke of the need to build up an improved classification of plastics scrap.

---

## Non-Ferrous Metals Division

---

*High prices have brought benefits but also unwanted challenges for the non-ferrous scrap sector....*

According to its President Robert Stein of US-based Alter Trading, the BIR Non-Ferrous Metals Division had been busy in recent months, making presentations at various forums. In addition, its board had undergone changes, with Sebastien Perron of Canada-based American Iron & Metal Co. replacing Igor Bilimoff of Federec in France as General Delegate. At the meeting in Munich, Robert Voss of Voss International was confirmed as the new UK representative on the board following the retirement of Michael Oppenheimer, while David Chiao of the Uni-All Group had agreed to continue on the board for a further term.

Having noted the board's desire to extend its geographic scope, Mr Stein began a market review by suggesting price movements were no longer subtle. But while it could be said that the scrap industry benefited from historically high prices, there was "a difficult side" to this success. For example, the industry faced the "curse" of metals theft and fraud, with high prices proving conducive to "elaborate embezzlement schemes" and "fraudulent swindles". He reminded members to take every precaution in choosing their trading partners and confirmed BIR continued to work with international police agencies and its member federations on these difficult matters.

### *"Protectionist movements"*

At the same time, governments were continuing to enact policies that were "detrimental to our business" and detracted from its ability to recycle valuable commodities in a commercially feasible way, said Mr Stein. He also attacked "protectionist movements" aimed at inhibiting international trade of its products, with scarcity or environmental concerns often cited as reasons to interfere on behalf of consuming sectors within their own borders.

The BIR Non-Ferrous Metals Division had asked the world body's Brussels-based secretariat to gather statistics on international movements of non-ferrous metals so as to enable the industry to present "substantive information" to members and to government officials as a defence against "on-going false claims of shortages in domestic markets", Mr Stein explained.

The divisional President also highlighted the challenge posed to the non-ferrous scrap industry by the indifferent economic outlook, but expressed confidence in the industry's proven resilience.

### *Increasing nervousness*

Providing a summary of the latest World Mirror from the BIR Non-Ferrous Metals Division, Bianca Vicintin Abud of the Tecal Aluminio Da Amazonia LTDA/Metalur Group in Brazil pointed to increasing nervousness over the state of the world economy, with concern focused particularly on “the debt crisis in Europe, the sluggish recovery in the USA and increasing credit tightness in China”.

She added that, in scrap terms, there had been few signs of the widespread contract defaults, bogus claims or non-payment complaints widely seen during the downturn of late 2008 and in 2009. However, she did note feedback from Western Europe suggesting recent price declines had tempted buyers, especially in Asia and Eastern Europe, to “launch quality and weight claims, even raising the possibility of cancellations”.

### *More pessimistic*

Looking at Western Europe in more detail, she noted that scrap arisings had fallen considerably and shortages had emerged in copper. The secondary aluminium market appeared to be bottoming but automotive industry prospects for 2012 were being viewed more pessimistically.

In France, healthy demand was reported for copper as factories struggled to find enough material to satisfy their needs, while practically all the aluminium qualities were easy to sell at rather good discounts. Scrap traders in Germany had been complaining of sluggish business activity, and although metals-related industry sectors in the Nordic region were expected to perform well, a wait-and-see attitude had been created by uncertainty over wider European economic problems.

In the USA, copper flows had slowed due to the sudden drop in pricing while lower ferrous prices were expected to contribute to a reduction in the availability of Zorba. The lacklustre performance of the US economy as well as the on-going financial challenges in the EU were being felt in Mexico in the form of more pronounced exchange rate volatility and a slow-down in industrial production. In other developments, nervousness persisted within the Mexican scrap industry over respect for constitutional rights during operations aimed at seeking out stolen metal at recycling firms; and the Mexican government had extended the “Maquiladora” tax scheme to December 2013. In Brazil, slower economic activity had been reflected in the decision of some car producers to stop production temporarily.

### ***Strictly enforced***

In China, a hold-up of shipments with a higher copper content at ports in Nanhai had resulted from customs officials and importers failing to reach agreement on duty and VAT. Rules surrounding the loading of multiple items in the same container were being strictly enforced, according to the speaker. Inflation was showing no signs of easing up in India while efforts to tackle corruption and the drafting of strict anti-graft laws had attracted plenty of public and media attention.

Dealers in Australasia had been pointing to a slow-down in activity levels over recent weeks, while volumes of scrap sourced in the Middle East were almost 40% lower in September and October when compared to the same period in 2010. In South Africa too, much lower non-ferrous volumes had been reported while the issue of export duty on scrap metal was to be decided by the Treasury Department, with duties as high as 40% proposed in some quarters.

Ms Vicintin Abud's review also highlighted intense concern over metal theft in, notably, Mexico and South Africa, with the latter of these two countries imposing a ban on the possession of burnt copper wire. And if objections from Georgia could be overcome, she added, Russia appeared likely to join the World Trade Organization (WTO) in the near future, raising the prospect of export tariffs coming under review by the country's customs authorities.

In summary, she said, many market participants appeared to be holding their breath and awaiting further developments because of the uncertainty generated in the financial and commodity markets by wider economic concerns.

### ***Pace-setting South America***

Leading off with the first of three guest presentations, John Woehlke - General Manager of Evermore Recycling in the USA - began by stating that his company conducted "a lot of business" with BIR members and had found this experience to be entirely positive.

Following a background sketch of Evermore Recycling, he then highlighted the scope for a massive increase in aluminium can consumption over the coming years, particularly in the developing world. In terms of used beverage can (UBC) recycling rates, the world was "doing pretty well", with South America setting the strongest pace on 93% whereas North America was "lagging behind" on 58%, he pointed out.

He went on to discuss the potential for a uni-alloy beverage can, noting that the top of the can had to be stronger than the body. He also pondered the opportunities for more UBC production capacity, increased blending and use of alternative scraps.

### *Value-retention history*

According to Michael Jansen, Managing Director and Head of Metals Research, Global Commodities Group, at JP Morgan, the unusual decision to feature precious metals at a BIR Non-Ferrous Metals Division meeting represented a sign of the times as gold “has a history of retaining value”.

Arguing that Europe was “already in a recession” and that his company anticipated global growth of only 2% in 2012, the speaker argued that central banks were accumulating gold reserves in response to discomfort over paper currency assets. Consumer demand for gold, meanwhile, was dominated by China and India.

Gold scrap supply had become “increasingly inelastic to price”, continued Mr Jansen, who ventured to suggest that a gold price above US\$ 2000 per oz would be required to trigger the next release of scrap. Having identified Germany as the biggest import market for precious metals scrap, he then referred to the “very deep pockets” required to develop some gold mining capacity.

Mr Jansen concluded by suggesting that the gold price was likely to exceed US\$ 2000 per oz by the end of 2011 before settling back at a lower level in 2012. In response to a question, he said the platinum price had “under-performed” in relation to gold but that the former’s current levels were still “not bad”.

### *Investor nerves*

Having outlined the precarious state of many of the world’s advanced economies, David Wilson - Director of Metals Research in the commodities research team at Société Générale Corporate & Investment Banking in the UK - suggested that “the markets are very much at the mercy of the nervousness of investors” who generally seemed to be taking a “very negative” view of the short-term outlook for metals. Conversely, many mining analysts were “very bullish” about the future despite a large number of new projects being slated to come on stream in the coming years.

Specifically in relation to China, latest data were suggesting 8% year-on-year growth in the Asian giant’s copper scrap import tonnages but the Cu content increase was “significantly higher”, Mr Wilson maintained, because of the effects of specification changes by the Chinese authorities.

Having predicted that fixed asset investment would slow in China, he suggested copper prices would struggle in the short and medium term in response to weakening demand and an increase in mine output. Prices of US\$ 10,000 per tonne - “or even US\$ 9000” - were “highly unlikely”, said Mr Wilson, who ventured an average copper price prediction for 2012 of between US\$ 7500 and US\$ 8000.

### ***"Flexing" with demand***

Turning his attention to aluminium, the speaker contended that light metal supply was quick to respond to demand and price signals, with the Chinese, for example, having completed smelter expansions within six months. The light metal's ability to "flex with demand" meant that this market was less volatile than those of other non-ferrous metals. Despite noting the continuing growth in China's primary aluminium production and the potential for on-going smelter capacity expansion in the country, the speaker said China's influence on the global market was "far more neutral" than with copper.

Having hailed the aluminium demand outlook as more positive than that for other metals, the speaker suggested light metal values were being supported by the fact that some 70% of LME warrants were tied up in financing arrangements - with little sign of metal coming loose. Against this backdrop, he predicted an average aluminium price of between US\$ 2200 and US\$ 2400 per tonne for 2012.

Mr Wilson added that base metal ETFs were unlikely to prove an effective option for investors.



---

## Stainless Steel & Special Alloys Committee

---

*Asia's influence in the nickel market had become ever stronger since the turn of the Millennium....*

The Chairman of the BIR Stainless Steel & Special Alloys Committee, Michael Wright of ELG Haniel, introduced the guest speaker by suggesting that the timing of his speech was particularly important given latest developments in the market.

Sven Tollin, Chief Statistician at the Portugal-based International Nickel Study Group (INSG), began his presentation with a brief outline of his organisation before analysing changes over the last decade in the breakdown of nickel ore production by region, with Asia growing its share from 16% in 2002 to a world-leading 31% thanks, in part, to mining developments in Indonesia and the Philippines.

Also in the case of global primary nickel production, Asia had recorded a substantial increase in the last couple of years to take over the leading position worldwide from Europe - a fact which Mr Tollin attributed mainly to nickel pig iron (NPI) production in China. Nickel consumption had soared in Asia, he added.

### *New capacity*

Having shown how nickel stocks and prices had followed each other downwards in recent times, Mr Tollin went on to suggest that an oversupply could be expected in the world primary nickel market in both 2011 and 2012. He argued that a nickel price increase was generally followed by new capacity coming to fruition; focusing on latest developments, he pointed to the strength of new refined nickel capacity initiatives in Brazil and New Caledonia, and also to the emergence of new producer countries Myanmar and Madagascar.

Turning his attention to China, he noted that the country's share of global primary nickel production soared from 8% in 2005 to 23% in 2010 as its NPI production jumped from zero to account for half of all nickel units produced domestically - with nearly all of the NPI being used in the production of stainless steel. Although China's stainless scrap imports had been at quite high levels as recently as 2009, the following year saw an "enormous decline" as a result of the NPI factor, he explained. NPI became a preferred option in China when the LME nickel price was higher than, typically, around US\$ 20,000 per tonne whereas values between US\$ 15,000 and US\$ 20,000 were likely to tip the balance more in favour of scrap, it was suggested.

### ***Fewer deleterious elements***

According to Mr Tollin, NPI was viewed in China as a high-cost resource but one with the advantage of “closeness to user”. Imported stainless steel scrap, meanwhile, was seen as environmentally friendly, attractively priced from time to time and containing fewer deleterious elements when compared to NPI. Looking ahead, he noted that new NPI technology was scheduled to come on stream and that there would be a move of NPI (or equivalent) production to other countries such as Indonesia and the Philippines.

Having predicted that nickel would remain “an attractive investment object and store of value”, the guest speaker went on to say that the INSG was projecting primary nickel usage increases of around 6% for both 2011 and 2012; however, production was expected to leap 11% in 2011 and potentially a further 9% in 2012.

There would be no shortage of primary nickel in the market in the near future, predicted Mr Tollin in his final remarks. China would remain the most important market for primary nickel which, itself, would remain “very volatile”. And he reiterated that China’s interest in imported stainless steel scrap would be price-related in the short term.

In response to questions, the guest speaker underlined that China was adopting “a strategy of flexibility” with regard to stainless steel and NPI capacity. He also predicted that China would continue the trend towards reducing the deleterious elements in NPI, thus creating a more attractive product.

### ***“Uncertain” outlook***

Global stainless steel production was likely to total around 32m tonnes in 2011 - well short of the 35m tonnes previously projected, the meeting was told by Mr Wright. The post-summer pick-up in demand for stainless steel products was not as strong as had been hoped while the outlook for the fourth quarter of 2011 and the first three months of 2012 remained “uncertain”, he said.

Figures released by the International Stainless Steel Forum showed that global crude stainless steel production climbed 3.8% in January-June 2011 when compared to the same period last year. And China provided the “driving force”, noted Mr Wright, with a 13% increase in its stainless output.

The market had become “hand-to-mouth” in nature, with mills looking to reduce inventories before the year-end and with “short-term movements in supply and demand”.

### ***Not anxious buyers***

In his review of the US market, Barry Hunter of Hunter Alloys LLC suggested that domestic mills had been showing little demand for stainless steel scrap, but that the potential for a significant reduction in scrap availability in the fourth quarter of 2011 and the first quarter of 2012 had meant an upward price trend. However, there was still some willingness to hold on to material, he added.

Stainless distributors were not anxious buyers, he continued, while offshore interest in scrap - for example, from China - had been growing. The ability of Chinese stainless producers to switch quickly between NPI and scrap depending on the LME nickel price represented potentially “a fundamental shift in the market”, he concluded.

Ahmad Sharif of Sharif Metals Est. confirmed in his Middle East report that the government in Jordan had announced a decision to impose a US\$ 70 per tonne duty on exports of steel/stainless steel scrap and that this move “is impacting the export market”. Despite the huge drop in LME nickel, projects in the region were continuing non-stop and would leave a huge surplus of high speed steel plus various kinds of stainless steel.

### ***Difficult to obtain money***

Scrap flows from north-west Russia had decreased substantially, according to Ildar Neverov of Steelway Limited Company. At the same time, it was proving difficult to obtain money from consumers, not least because of frequent management changes at the mills. Hopefully, he added, Russia would join the World Trade Organization and this would reduce duties imposed on scrap exports.

Mr Wright then began a summary of the market position in Europe by suggesting that downsizing was required on this continent. The German stainless steel market had made a successful start to 2011 but, after three good months, demand from the steelworks had slowed, he continued. A decrease in the availability of stainless steel scrap had run parallel with falling demand from the steelworks, while additional uncertainty for the German stainless steel scrap market had resulted from the split-off of the stainless steel division of ArcelorMittal and the announced split-off of TKN.

### ***Weak results***

From the Belgium & Spain market report incorporated into the latest BIR Stainless Steel & Special Alloys World Mirror, Mr Wright highlighted the comment about the constantly weak results reported by most of the leading European flat stainless producers. Exports of stainless scrap into Asia had increased and this trend would continue into the fourth quarter during which a lot of Chinese buying was expected.

Scrap and turnings availability had remained poor on the French market in the second half of 2011, reported Mr Wright, while stainless production in Scandinavia was generally based around a short-term and uncertain order situation.

According to the superalloys report, which had been authored by Keywell's Phil Rosenberg and summarised in his absence by Danny Fischer of OneSteel Recycling, secondary titanium demand had slowed as a direct result of weaker ferrous and stainless steel markets, with no pick-up anticipated for the balance of 2011. Meanwhile, the nickel-based alloy sector had been very steady for 2011 and the start of the fourth quarter had remained busy without ever becoming a runaway market. The high speed steel market had slowed dramatically during the third quarter, he added.

Mr Wright concluded the meeting by observing that the fall in stainless steel demand had been more than compensated by a lack of scrap, and that an improvement in stainless orders could provoke a shortage of scrap.

---

## Workshop on Arbitration

---

*The BIR has revisited its arbitration service with a view to creating an updated tool for assisting in the settlement of international business disputes....*

In an update on the process to revamp BIR's arbitration service, Benoît Van Asbroeck - Partner in international law firm Bird & Bird LLP - explained how the changes would ultimately work in practice.

The objective of this exercise, he pointed out, was to assist the growing number of BIR members with a tool for the fast and effective settlement of international business disputes through provision of an arbitration service. The new version of the BIR's Articles of Association confirmed that a member could be expelled for non-compliance with the association's arbitral award.

One of the key aims of the BIR arbitration service, he continued, was to avoid the disadvantages of court proceedings by resolving disputes "in accordance with the rhythm of business" and with adherence to "strict timelines". The arbitrators in a case - of which there could one or three - would have substantial practical experience in the relevant recycling industry field. The arbitrator or arbitrators would be required to keep strictly confidential all statements and documents issued by the parties involved.

### *Specific time periods*

The service could be employed so long as at least one of the parties was a BIR member, it was pointed out. The claimant was required to file a request for arbitration with the Registrar (namely the BIR secretariat in Brussels) which should contain an accurate and concise statement of the matter and the solution sought. The respondent was then required to file an answer - and possibly a counter-claim - within a specific time period from receipt. If a party did not abide by the deadlines set, proceedings continued and could result in a default award being made, the meeting was told.

The Arbitral Tribunal could conduct the arbitration in any manner it deemed appropriate; unless requested, the parties should not have the opportunity to file additional written submissions.

According to Mr Van Asbroeck, an amicable settlement could be reached during the proceedings through a confidential conciliation process; if the conciliation failed, the Arbitral Tribunal should proceed with the arbitration. Indeed, the speaker stressed that the rules were designed to safeguard confidentiality at all points, such as in circumstances where intellectual property could come under threat.

The award of the Tribunal was final and was not subject to appeal, he continued. Fees would be payable for the process and would relate to the work involved for the arbitrator(s) and to the value of the claim.

***“Job well done”***

Robert Voss, Chairman of the BIR’s International Trade Council, said that Mr Van Asbroeck’s presentation summarised “a long job well done” and that it would be available to view on the world body’s website. In response to questions from the floor, he confirmed that BIR board and special committee members would be potential arbitrators as these people were engaged in specific areas of the recycling business on a daily basis. He also reiterated that a BIR member could be expelled for non-compliance with an award and that this expulsion would be made public.

Mr Van Asbroeck also confirmed in answer to a question on enforcement that failure of a party to attend an Arbitral Tribunal would not be allowed to block the procedure.

---

## International Environment Council

---

*The Basel Convention's most recent gathering in Colombia had produced a significant shift towards recognition of waste as a resource....*

Following an introduction from the Chairman of the International Environment Council (IEC), Olivier François of NV Galloometal of France, guest speaker Dr Katharina Kummer Peiry described the Basel Convention's recent 10th Conference of the Parties (COP-10) in Colombia as "a spectacular success" in the context of attendance figures and international negotiations - to the extent that it was being hailed as "the miracle of Cartagena".

According to the UN-EP Basel Convention's Executive Secretary, the overall political message from Colombia was that waste should be minimised and, once arising, should be treated "as a valuable resource and not as a costly burden". This "true paradigm shift" and "significant change in attitude by governments" meant that the Basel Convention was no longer focused solely on controlling and inhibiting waste transactions; now, it was also recognising that some trade could be "legitimate and useful". The COP had set goals to be achieved by the year 2021, with guiding principles including the sustainable use of resources and the recognition of waste as a resource, she added.

### *"Key platform"*

Three new technical guidelines had been adopted in Colombia covering the management of used tyres, the management of mercury waste, and the processing of hazardous waste in cement kilns. Meanwhile, work was on-going in relation to waste electrical and electronic equipment (WEEE), with the guest speaker noting that the mandate for the strongly-supported Partnership for Action on Computing Equipment (PACE), launched at the 9th COP, had been extended by two years. This had become "a key platform" for work on the management of used equipment of this nature, with involvement from governments, industry associations and companies. The ultimate aim, she said, was to devise practical guidelines taking industry input and expertise into account.

In summarising her views on the COP in Colombia, Dr Kummer Peiry said she had been impressed by "side events" demonstrating successful used equipment management projects around the world, including in Asia and Africa.

### ***Three to five years***

The agreement on how many and which countries were required to ratify the ban amendment on export of hazardous waste to developing countries for it to take effect was also part of the success of the COP in Colombia, it was confirmed. Seventeen countries that were present at the 1995 COP that had not yet ratified the ban would need to do so for it to become part of the Basel Convention. It was suggested by Dr Kummer Peiry that this could take three to five years.

There was a strong recognition in Colombia that the ban amendment looked to protect vulnerable countries but also that environmentally sound movements should not be ruled out.

Mr François and the President of the US Institute of Scrap Recycling Industries (ISRI) Robin Wiener asked about the certification of recycling companies to demonstrate they were environmentally soundly managed, and pointed to a number of existing certification systems. In reply, Dr Kummer Peiry explained that certification of recycling companies was part of the Environmentally Sound Management (ESM) approach, and assured them that existing certification systems would need to be recognised in that work.

### ***Serious problem***

Having described e-waste as the stream “most discussed by far” at Basel Convention level, Dr Kummer Peiry said this was the subject of many illegal transboundary movements and was “becoming a serious problem to many countries”. In this context, it had been estimated that the volumes of e-waste generated in developing countries would match those in the developed world within five to seven years, and would “far exceed” them by the year 2030.

### ***Code of Conduct***

Former IEC Chairman Dr Alvaro Rodriguez de Sanabria, radioactivity expert for Spain’s recovery and recycling federation FER, told a story which emphasised changing attitudes and approaches to radioactive scrap over the years, highlighting the ground-breaking Spanish Protocol on radiological surveillance of metal recycling. He then outlined work towards an International Atomic Energy Agency “Code of Conduct for Scrap and Semis Trading” - a non-binding document aimed at: protecting people, property and the environment against ionising radiation arising from radioactive material that may inadvertently be present in scrap and semis; and harmonising the approach of states to the discovery and safe handling of such material.



The approach should be graded according to the risk, he underlined, before explaining the roles of government and industry in this important area. Although sometimes requested by consumers, he added, scrap suppliers could never issue a note confirming that their scrap was 100% free of radiation because that was “technically impossible”.

### ***Not the recycler's fault***

It was “nonsense”, the speaker argued, to apply the “finder pays” principle in situations where metals recyclers uncovered a radioactive orphan source in an incoming scrap consignment. It was not the fault of a recycler if control of such a source had been lost further up the chain, he said.

According to the speaker, the BIR had demonstrated its willingness to co-operate fully in arriving at the best possible solution to such incidents. Furthermore, to companies all around the world the BIR had freely distributed educational posters in more than 10 languages giving advice on the visual identification and detection of unwanted radioactive material.

Dr Torsten Passvoss of GHS Strahlenschutz GmbH, the Chairman of a working group in Germany dedicated to addressing radioactivity in scrap, insisted that the scrap industry did not trade in, or seek out, radioactive materials and should come together on this matter. Mr François closed the meeting by repeating that the recycling industry should not be punished when a source was found and that a system should be devised which was of benefit to all.

---

## Ferrous Division

---

### *A block on EU exports of scrap would immediately undermine prices and recycling rates....*

Having introduced the two guest speakers, BIR Ferrous Division President Christian Rubach of Germany-based TSR Recycling outlined the plethora of export restriction measures adopted around the world and expressed the fear that Europe's status as a relatively "safe haven" for the free trade principle could come under threat in the not-too-distant future.

An increasing number of voices in the different EU states and in Brussels was asking for export restrictions or at least export control and monitoring of scrap exports despite a clear scrap surplus of 20-30m tonnes in the EU-27, he pointed out. If scrap exports were to be blocked from the EU, there would be an immediate drop in prices and recycling rates, he warned.

In the regional/country market reviews, it was noted by Blake Kelley of Sims Metal Management in the USA that domestic prices paid for dealer scrap for shipment in October were sideways to down US\$ 20 per tonne depending on the grade and location, but with prices along the eastern seaboard and Midwest regions holding nearer to September levels.

Continued economic concerns in the USA and around the world, compounded by currency changes, had caused domestic scrap purchase and US export activity to cool, he added. However, US scrap exports reportedly soared in August 2011 to 2.784m tonnes, he noted.

### *Reluctant to commit*

In his review of the Pacific Rim market, Mr Kelley observed that Asian buyers' worries about economic conditions had made them reluctant to commit to new purchases. Specifically in China, concerns had focused on excess inventories, falling steel prices, collapsing real estate prices, and the reluctance of banks to lend money. The weaker Won had "forced buyers to wait rather than purchase" in South Korea while Tokyo Steel in Japan had cut its H-2 purchase price many times in the three weeks prior to the Convention for a total reduction of over US\$ 80 per tonne.

Taiwanese steelmakers, meanwhile, were struggling to maintain scrap and steel prices because of a weaker new Taiwan dollar and increased international competition for steel sales. South East Asia had seen some scrap

purchasing activity but steel sales prices had fallen continuously, whereas India, Pakistan and Bangladesh had been active in purchasing containerised scrap.

### ***Higher steel production***

In the year to date, world raw steel production had increased 8.2% such that, based on nine months of Worldsteel Association data, and compared to 2010, the world in 2011 would produce an additional 119m tonnes of raw steel and an extra 78m tonnes of iron while apparently consuming another 41m tonnes of purchased scrap, according to Mr Kelley.

Although iron ore and steel prices had been drifting lower for some weeks, steel production “continues at high rates”, he added. At some point soon, steelmakers would need to restock with raw materials unless consumption truly decreased.

### ***Fall in imports***

Indian crude steel production had been expected to grow by 10-12% in 2011 but iron ore mining bans/restrictions imposed by the Supreme Court of India and limited availability of good-quality ore would probably limit growth to around 5-6% for a total around 70m tonnes, commented Zain Nathani of the Nathani Group of Companies. India’s ferrous scrap imports fell around 15% in 2010/11 to some 3.99m tonnes, he added.

Following a review of recent price movements, the speaker suggested Indian buyers could be expected to return to the market aggressively in the coming weeks if the international markets remained quiet and prices continued at current levels. Buying of scrap in bulk vessels by Indian traders/steel mills had been “very limited”, he said.

Mr Nathani then explained that the Metal Recycling Association of India (MRAI) and BIR had been working with India’s Directorate General of Foreign Trade (DGFT) to deal with fraudulent inspection agencies given that there had been many complaints against a number of these. All agencies - including those previously approved - would need to re-apply for DGFT approval. He added that the DGFT had met with the MRAI/BIR on October 19 2011 to discuss the new set of criteria for enlistment of inspection agencies authorised to carry out pre-shipment inspection of metal scrap for shipments to India.

In addition, the MRAI/BIR had been approached by the Atomic Energy Regulatory Board (AERB) to assist in spreading awareness of radiation detection, for example, through seminars and the distribution of posters.

### ***Rapid recovery “unlikely”***

The Japanese economy was emerging from stagnation after the March 11 earthquake, according to Hisatoshi Kojo of Metz Corporation. Having reviewed price movements over recent months, he pointed to significant decreases in export and Tokyo Steel buying prices in recent weeks. However, the speaker predicted that the Japanese scrap market would bottom by the end of October/early November and rebound up to Yen 34,000-36,000 per tonne (US\$ 441.55-467.50) towards the January-March quarter of 2012 on the assumption that a Greek financial crisis were avoided.

However, Mr Kojo deemed a rapid recovery of Japanese scrap prices to be “unlikely” as the strong Yen was casting a shadow over blast furnace mills’ production planning since 50% of their output was for export.

### ***Stable market***

The Russian market had been relatively stable and most steel mills were in a healthy financial position, reported Andrey Moiseenko of Ukrmet Ltd in the Ukraine. A weak ruble had partially supported exporters but the currency had since regained ground over the US dollar.

Exporters in the Rostov region had benefited from a production stoppage at the REMZ steel mill due to technical problems, he noted.

As for the customs union incorporating Russia, the Ukraine and Kazakhstan, it had not meant much change to the Russian market, according to the speaker. However, it had had a substantial influence on Kazakhstan, enabling the country’s scrap to be delivered to Russian steel mills in the Urals and Siberia without any customs clearance, duties, etc.

As in Russia, the Ukrainian steel scrap market was performing well, Mr Moiseenko continued. Average scrap stocks were on a normal level of 10 days’ consumption. Exports from the Ukraine had been on a low level while collections in 2011 would be at least as high as in 2010, most probably reaching 7m tonnes. In 2012, new investments in Ukrainian electric arc furnace capacity would require the importation of scrap from Russia and Kazakhstan, he added.

### ***“Considerable uncertainty”***

The EU market report from Tom Bird of Van Dalen Recycling, who is also President of the European Ferrous Recovery and Recycling Federation (EFR), warned of “considerable uncertainty” for the final quarter of 2011 as a result of the heavy influence on sentiment of the world financial crisis. Global steel consumption had been

experiencing a slow-down while a reluctance to speculate had seen sellers looking to keep material moving and buyers avoiding commitment to large tonnages.

The EU market for October had settled at between Euro 10 and Euro 25 per tonne lower, with low residual grades suffering the steepest reductions. On the break bulk and container markets, recent business had been concluded at around US\$ 20 per tonne or so lower, with exchange rates having a major influence on EU prices.

The encouraging factor, stated Mr Bird, was that business was still being done and that this reflected continuing demand; and although prices were down, levels were not as low as some had been forecasting. Compared to the downturn of 2008, people were “better prepared” and were exercising “better inventory management” while customers were “more robust, more consolidated and far more likely to continue to perform in a falling marketplace”.

### *Environmental focus*

Before reporting on the activities of EFR, Mr Bird provided a brief history of the organisation, mentioning its structure, the setting-up of the European Shredder Group, and EFR's objectives through the years, including its efforts in the 1970s and 1980s to remove quotas on exports of steel scrap. These days, the focus was more on environmental legislation with EFR, for example, monitoring many draft EU directives and regulations covering waste, hazardous waste and waste shipments.

Mr Bird went on to report that, on March 31 2011, the long-awaited EU Council regulation adopting end-of-waste criteria for iron and steel scrap had been published in the Official Journal of the European Union, thereby officially recognising that scrap operators in the EU could change waste into a product as long as some strict commercial, technical and environmental criteria were met. EFR had played a major role in achieving this very important step for the industry, he said.

The EFR secretariat was now working to reduce the possible impact of the EU's REACH directive, he added.

Alongside Eurofer, EFR had also worked to develop common scrap specifications. Discussions regarding updates were currently taking place, with disagreement on the wording relating to radioactivity. Nobody in the scrap community was willing to agree to the “free of radioactivity” statement recommended by the EU steel industry. In concluding, Mr Bird confirmed that EFR would monitor and respond to any moves by trade unions, politicians and industrial sectors in favour of protectionist measures that would limit free trade in the ferrous scrap sector.

### ***Enthusiasm for sustainability***

Beginning with a frank expression of enthusiasm for his main theme of steel sustainability, guest speaker Professor Dr Karl-Ulrich Köhler - Managing Director and CEO of Tata Steel Europe - proceeded to provide some background on his company and on the “uncertain” global economic outlook. Steel demand had suffered an adverse impact, he recognised, but consumption was still expected to achieve record levels in 2011 and 2012.

The speaker pointed out that hot rolled coil prices had been developing far more slowly than those of key raw materials such as iron ore and coking coal, thereby squeezing margins. He also expected that scrap would remain high but volatile in price as well as “scarce”.

According to Professor Dr Köhler, strict emission trading in the EU-27 was putting the region at a major disadvantage and left it “open to imports” even though climate change was a global challenge. In relation to other materials, steel scored “very well” in terms of energy intensity, economy and recycling rates, achieving the lowest greenhouse gas emission footprint in the “make” phase, he claimed. Furthermore, it was a focus for constant innovation.

Overall, said the speaker, steel offered a solution to many modern problems if the environmental debate “is kept fair”.

### ***Cautious on investment***

Stefan Schilbe, Chief Economist at HSBC Trinkaus & Burkhardt AG, began his guest presentation by suggesting that economic conditions in Europe, the USA and even Asia had deteriorated markedly in the two months prior to the BIR Convention. However, leading economic indicators in China were now stabilising, he added.

Focusing first on the USA, he suggested company sentiment did not indicate an imminent recession despite the fact that the employment market was still “in very bad shape” and that consumers were “extremely pessimistic” about the future. He confessed himself to be “cautious” on the question of whether US firms would invest and did not rule out the possibility of a further round of quantitative easing for 2012 - a move which would support the commodity markets.

Even though debt levels in the USA were worse than in the EU as a whole, Mr Schilbe underlined the “huge degree” of media-fuelled pessimism surrounding the Euro as well as the potential for recession in some European countries. At the same time, the guest speaker said that he was more upbeat than in 2008 because markets were much more prepared and also that Euro-zone inflation should start to fall again over the coming months.

Turning his attention to China, Mr Schilbe pointed to GDP growth projections of 8.5-9% for 2012 and to an anticipated “double-digit” production hike. “I don’t envisage strongly falling commodity prices any more,” he added.

As to whether the world was on the verge of recession, he believed that this was not the case despite the fact that a number of countries faced serious economic problems.

---

## Paper Division

---

*With large parts of the world succumbing to an economic downturn, many paper mills were struggling to sell their finished products....*

Having thanked delegates for their continued support, BIR Paper Division President Ranjit Baxi of UK-based J&H Sales International spoke of concerns over the European sovereign debt crisis and over the difficulties encountered by paper mills in selling their finished products. China's growth had slowed in the third quarter but was still expected to record a 9.5% gain in 2011, whereas far lower figures were anticipated among the European economies, he added.

It was then confirmed that Mr Baxi had been elected to serve another term as divisional President while Jean-Luc Petithuguenin of Paprec in France and Ekrem Demircioglu of TUDAM in Turkey were re-elected Vice Presidents for a further mandate.

### *"Passion" for recycling*

Dr Jim Malone, who is responsible for managing the 2m tonnes of recovered fibre and other recyclates handled annually by the recycling division of UK-based producer group D S Smith, was then announced as the latest winner of the BIR Paper Division's Papyrus prize, which is awarded twice a year to a company, organisation or individual deemed to be making a particularly valuable contribution to paper recycling.

Sales & Purchasing Director for the last 10 years at Severnside Recycling, which was recently re-branded D S Smith Recycling, Dr Malone acknowledged his "passion" for recycling and the fact that he was "still learning" about it some 24 years after first joining Severnside. Over that period, he had been a key player in the development of numerous paper recycling initiatives.

With the world's population now at 7bn, Dr Malone reflected on the fact that available resources were likely to become ever more stretched, with the result that "recycling has never been more important" and should be kept high on the political agenda. He also said that the industry risked undoing all its good work if it failed to collaborate on creating "high-quality recycle".



## ***ERPA activities***

Some background on the European Recovered Paper Association (ERPA) was provided by its President Merja Helander of Finland-based Lassila & Tikanoja ahead of an update on its activities since the BIR 2011 Spring Convention. Having touched on end-of-waste developments at EU level, she turned to on-going work to revise the EN643 standard list of European recovered paper and board grades, which was now with the European Committee for Standardisation (CEN) for approval. It had been hoped to obtain this approval by the end of 2011 but a delay now seemed likely “because of different opinions brought up by member countries of CEN”.

As regards the quality management system criterion for recycling plants, a working group had created a related proposal with the aim of developing a simple and cost-effective approach suitable even for the smallest recovered paper companies and depots.

Ms Helander noted the launch of the European Declaration on Paper Recycling with a target to reach a 70% recycling rate in Europe by 2015, progress towards which will be monitored by PricewaterhouseCoopers. She then highlighted draft guidance on the interpretation of key provisions of Directive 2008/98/EC on waste, describing this as a helpful tool in terms of understanding some of the important definitions and words used in this directive.

She concluded by describing as a key challenge the huge differences in recycling rates between European countries and by reiterating ERPA’s preference for source-segregated collection.

## ***“Not the answer”***

As part of a brief review of factors affecting world trade, Mr Baxi identified the global economic outlook as the main reason behind a decline in demand for recovered fibre but insisted that “just slashing the price is not the answer”. He also told delegates that current logistics costs were “the lowest possible”.

Focusing specifically on China, he suggested the country’s recovered fibre imports for the whole of 2011 were on course to be “slightly better” than the 22.186m tonnes of 2010 but would remain well below the 27.643m tonnes of 2009. There had been signs, he said, that the late third quarter/early fourth quarter of 2011 would bring a downturn in Chinese imports similar to that experienced in the third quarter of 2010.

Reviewing Europe’s exports of recovered fibre to China during the first half of 2011, Mr Baxi highlighted a steep drop in German shipments but an increase in the UK’s total.

At this point, he expressed concern that European recovered fibre exports to China were coming under increasing pressure from material supplied from elsewhere in the world, notably Japan and Australia. If China were to cut back on its imports, quality from Europe was such that it was likely to be “the first to suffer”, he warned.

### ***Strict procedures***

The importance of establishing and following strict quality procedures was underlined by guest speaker Herman van der Mieij, Commercial Sales Director at Viridor UK which handles some 1.7m tonnes of recyclables annually. There was an over-arching need, he argued, to monitor incoming supplies and to ensure outgoing product met the standards set by customers.

His company’s focus on inputs, outputs and the audit trail assisted in maintaining high levels of quality as well as traceability, he explained. Every product within the group had a definition and a specification - including “objectionable” and “prohibitive” materials - to which all operations had to conform, he explained. This demonstrated that Viridor UK wanted to be ready to move quickly on “end-of-waste” requirements, he said.

### ***Developing quality and quantity***

In a guest presentation focusing on resource efficiency, UPM’s Head of Environmental Projects Dr Wilhelm Demharter insisted that recovered paper provided one of the solutions available to the paper industry. Recovery required development in terms of quality and quantity, he insisted.

He went on to outline his group’s activities and the key drivers which dictated the use of recovered fibre. Worldwide, recovered paper’s share of total fibre input would continue to grow beyond its current level of 53%, he predicted, before highlighting the “extreme” upsurge in demand from Asia and Eastern Europe over recent years. Having mentioned the targets laid down in the latest European Declaration on Paper Recycling, Dr Demharter urged politicians to accept that recovered paper was a resource and not a waste.

In this context, BIR’s Environmental & Technical Director Ross Bartley outlined the progress over many years towards establishing “end-of-waste” criteria in the EU for recovered paper, going on to confirm that there had been a delay in the process with an important vote by the Technical Adaptation Committee expected either on or after May 4 2012.

Mr Bartley noted that the BIR’s “Tools for Quality Management” document was designed to assist recovered paper suppliers in achieving accreditation to ISO 9000 level. In addition, he updated delegates on new listing proposals relating to List B (Annex IX to the Basel Convention).

### ***Focus on Japan***

Speaking through an interpreter, the Vice President of the Japan Recovered Paper Association, Nobutaka Okubo, began his guest presentation with a brief introduction to his organisation, before revealing that the domestic recovery rate was more than 78%. The country's paper and board production had fallen to around 26m tonnes in 2009 from more than 30m tonnes in the previous year but had improved to nearer 27m tonnes in 2010, with a similar performance anticipated for 2011. Consumption had also declined in 2009 but had recovered some of the lost ground the following year, he added.

Mr Okubo went on to show that China accounted for 79.8% of all Japanese recovered paper exports in 2010 - equivalent in volume terms to just under 3.5m tonnes. In second place on the list came Thailand on 439,733 tonnes (10.1% of all Japanese exports), with Vietnam third on 139,965 tonnes (3.2%). Of the 4.374m tonnes exported by Japan to all destinations in 2010, OCC made up 50.6% and news/OMG a further 34.3%, pointed out Mr Okubo.

Having noted a recent drop in recovered paper export prices, the speaker concluded his presentation by saying that his association intended calling an international conference on paper recycling for 2015.

### ***Exports under threat***

The final presentation shed light on a new law in Spain deemed by Francisco Donoso of Reciclajes Dolaf SL to have the potential to threaten exports of recovered paper and board beyond the EU, a region which ran up a surplus of 8m tonnes last year and of nearer 12m tonnes in 2009.

Relating to "all waste materials which can be recycled", Article 16 of the law stated the possibility of public administrations being able to apply mechanisms - temporarily - which would give priority to recycling inside the EU, as far as these were justified by environmental considerations. Mr Donoso argued that restrictions on exports would serve to reduce business opportunities, leading to lower prices and to a drop in financial resources for collection.

---

## Tyres Committee

---

*In Europe, the recovery of both materials and energy from end-of-life tyres had enjoyed massive growth in recent years....*

Factors influencing the tyre market included increased service life, the rising number of vehicles, increasing volumes of traffic, the economic slow-down and the financial crisis, it was explained by BIR Tyres Committee Chairman, Barend Ten Bruggencate of the Netherlands.

Using figures from the European Tyre & Rubber Manufacturers' Association (ETRMA) he confirmed that 2.494m tonnes of end-of-life tyre (ELTs) were recovered in the 27 member states of the EU in 2009. The EU-27 achieved a recycling rate of 95% - a figure which compares to around 89% in the USA and 91% in Japan when using the most recent available statistics. ELT management costs in the EU-27 amounted to some Euro 600m per annum, he added.

### *Landfilling decline*

Having noted that a further 5.5m tonnes of ELTs were to be found in stockpiles/illegal dumps in the EU, Mr Ten Bruggencate pointed out that the landfilling of scrap tyres had been in "continuous decline" since the mid-1990s while the proportions entering the retreading and reuse for export channels had been reasonably static. In contrast, materials recovery and energy recovery from ELTs had both enjoyed substantial growth over recent years.

Producer responsibility schemes had proved to be "really a success" in the management of ELTs and the high value of the associated funds meant that collection fees would go down throughout Europe, he said. Meanwhile, tax-based systems were "not so popular", he said.

### *Maximising consumer confidence*

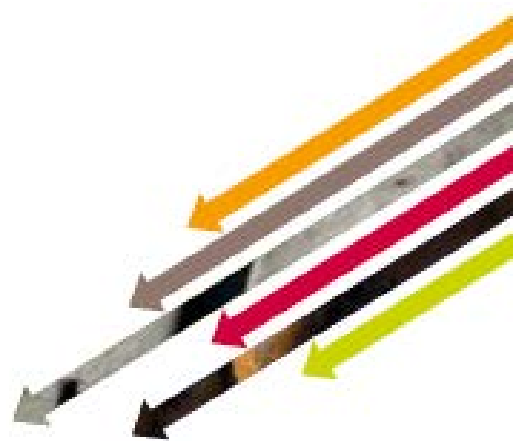
Mr Ten Bruggencate went on to underline the importance of developing precise quality standards for ELT-derived shred, crumb and powder in order to maximise consumer confidence in the uniformity of these materials. Having drawn attention to increased energy recovery from ELTs in the EU's cement kilns under strict emission control standards, the speaker emphasised the positive results derived from studies into leaching where ELTs had been used in artificial grass.

Consumption of rubber was expected to double over the next 30 years but virgin resources were limited, thereby opening up opportunities for recycling, he said.

In the EU, the tyre industry had recently decided to take a closer look at “end-of-waste” status, it was also noted.

Scheduled guest speaker Michael Hvam of Germany-based Genan Deutschland was unable to attend the Tyres Round-Table owing to ill health.

WORLD RECYCLING CONVENTION  
(AUTUMN ROUND-TABLE SESSIONS)  
MUNICH, (23) 24-25 OCTOBER 2011



## LIST OF SPEAKERS

---

### Monday, 24 October

---

#### Textiles Division

- Dina Mehta, *Textile Consultant*, European Outdoor Group
- Kilian Hochrein, *Environmental Affairs*, W.L Gore & Assoc. GmbH (Germany)

#### Plastics Committee

- Tilman Baehr, *Hamburg Ministry of Urban Development and Environment* (Germany)
- Dr. Rainer Koehnlechner, *Managing Director*, Hamos GmbH (Germany)

#### Non-Ferrous Metals Division

- John Woehlke, *General Manager*, Evermore Recycling (USA)
- Michael J. Jansen, *Managing Director and Head of Metals Research*, JP Morgan (UK)
- David Wilson, *Director Metals Research*, Société Générale (UK)

#### Stainless Steel & Special Alloys Committee

- Sven Tollin, *Chief Statistician*, International Nickel Study Group (Portugal)

#### Workshop on Arbitration

- Benoit Van Asbroeck, *Attorney at Law*, Bird & Bird LLP (Belgium)



---

Tuesday, 25 October

---

#### International Environment Council

- Dr. Katharina Kummer Peiry, *Executive Secretary*, UNEP/Secretariat of the Basel Convention
- Alvaro Rodriguez de Sanabria, FER (Spain)

#### Ferrous Division

- Prof. Dr. Karl-Ulrich Köhler, *CEO*, Tata Steel Europe Ltd (The Netherlands);  
*Vice-President*, EUROFER; *Member of the Board*, Worldsteel Association
- Stefan Schilbe, *Chief Economist*, HSBC Trinkaus & Burkhardt AG (Germany)

#### Paper Division

- Dr. Wilhelm Demharter, *Head of Environmental Projects*, UPM GmbH (Germany)
- Herman van der Meij, *Commercial Sales Director*, Viridor UK
- Francisco Donoso, *Managing Director*, Reciclajes Dolaf SL (Spain)
- Nobutaka Okubo, Japan Recovered Paper Association



## BIR extends its special thanks to the following sponsors:

---

### Titanium Sponsors

---

**Oryx Stainless a brand  
of KMR Group**

*for sponsoring the*

**Lanyards**



**Interseroh**

*for sponsoring the*

**Briefcases**



---

### Emerald Sponsors

---

**Nicrinox**

*for sponsoring the*

**Divisional Luncheon**

on Monday, 24 October 2011



**C.N.A**

*for sponsoring the*

**Gold Member Lounge**



---

### Ruby Sponsor

---

**L&P Metals**

*for sponsoring the*

**Young Traders Networking Dinner**

