

Energy costs crucial for recycling: BIR

High energy costs for recycled steel industry were one of the main topics at the Bureau of International Recycling's (BIR's) World Convention and Exhibition in Amsterdam.

Ole Rolser, leader of the Global Energy Perspective team at McKinsey & Company in the Netherlands, noted in his presentation that Europe's spend on oil, gas, and coal increased from 4pc to 10pc of GDP last year and that this expenditure would remain elevated for the coming future. He attributed record-high global gas prices last year directly to the war in Ukraine.

For energy-intensive industries, many of which form a part of the recycling industry's customer base, these huge energy costs had led to production cuts or even shutdowns. Aided by a notable shift in householder behaviour, Europe's power demand declined by 3-4pc in 2022 when compared to 2021 and by 6-8pc in the period from September.

Having observed that crude oil prices had now returned to levels seen before the Ukraine war, Rolser predicted a continuing decline before settling around \$50-60 per barrel.

Rolser also expressed the view that, with the necessary investment, the EU could become energy-independent of Russia within just a few years. However, the speaker indicated that

Europe has historically relied on Russia to meet around a third of its gas supply, with Germany, Italy, and Poland the most exposed.

In reviewing key statistical data for 2022, Rolf Willeke, BIR's Statistics Advisor, underlined that China had remained safe in its position as the world's largest recycled steel user despite a 4.8pc drop in its consumption to 215.31mn mt. A similar story applied to Turkey, which continued to be the world's top recycled steel importer last year even though it recorded a 16.5pc decline in its overseas purchases to 20.876mn mt. And to complete the pattern, the EU-27 maintained its position as the world's leading recycled steel exporter in 2022 despite its outbound shipments sliding 9.4pc year-on-year to 17.596mn mt.

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