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EU likely to propose partial ferrous scrap export ban

01 Jun 21, 18:17 - Metals, Ferrous, Non-ferrous, Scrap, Politics, Environmental politics, Regulation

London, 1 June (Argus) – The European Commission is expected to propose an adjustment to EU waste shipment regulations that includes partially banning ferrous scrap exports to countries that do not meet EU environmental standards.

The commission started revising regulations in January 2020 to enhance control of cross-border movements of hazardous waste and reduce global trade in such material. A public consultation was completed in July 2020 and the final stage of the review – commission adoption – was supposed to begin in the second quarter of this year. Some market participants now say details might not be announced until the third quarter, while other leading recyclers said this week that they expect to see a first draft by the end of June.

The commission's proposals are not expected to include a total ban on scrap exports, but instead a partial ban on ferrous scrap exports to countries that fail to comply with European health and environmental standards.

"The magic words 'broadly equivalent conditions' are what it comes down to," German metals recycling firm TSR's managing director, Denis Reuter, said today at the Bureau of International Recycling (BIR) World Recycling Convention.

"You [will probably] have to make sure you export to a facility abroad that operates in accordance with European health and environmental standards already established in the EU."

But the industry is still unsure how the bloc will ensure buyers comply with EU standards. Several exporters said the EU might have to employ certification or inspection companies to audit overseas facilities that buy EU scrap, while others said responsibility for acquiring any certificate or approval will fall to overseas buyers.

Some market participants expect any new restrictions on scrap exports to only apply to non-OECD countries because OECD countries already adhere to similar standards to those in the EU. The largest non-OECD buyers of European ferrous scrap in 2020 were Egypt, India and Pakistan, which purchased over 2.6mn t combined.

Reuter also said today that the commission's proposal could include a 5pc maximum impurities level on scrap exports, but he was not sure how this would be enforced. He said the EU will always be able to export higher-grade or prime scrap such as P&S and shred, but that he has "questions in the medium to long term when it comes to classic HMS 1/2 qualities".

Many scrap recycling associations and firms welcome the EU's decision to review regulations, saying the current legislation does not support the transition to a circular economy. Some procedures and inconsistent implementation by member states also create hurdles for cross-border shipments within the bloc. But many in the industry are unhappy that this review does not remove scrap material from the waste category.

"One of the biggest issues is that the European Commission calls scrap metal a waste and they are using that to manipulate the use and actions in trade of scrap metal. The whole world needs to wake up and put pressure on the European Commission to relabel scrap metal from a waste to a reusable commodity," the president of BIR's ferrous division, Greg Schnitzer, said at the convention today.

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