



# India's aluminium scrap specs to be fine-tuned for 2023 launch

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India's aluminium scrap sector is expected to have a new set of rules that reclassify what it can trade from as early as 2023, Dhawal Shah, the non-ferrous board chairman of the Bureau of International Recycling (BIR), said on the sidelines of a conference held by the industry body in Dubai.

The draft version of India's aluminium scrap specifications - which could contain up to six categories and include a diverse range of scrap of lower-grade metallic content - are ready for public consultation, he told Fastmarkets on Monday October 17.

"The parameters of the Indian draft are a lot more conducive to scrap trade, and take into consideration basic characteristics of materials. There are thresholds enough to prevent India from being a 'dumping ground', so the industry could provide decent quality downstream products," said Shah, who is also managing director of Mumbai-based Metco Marketing India.

India is a major importer of aluminium scrap, with the United States being its major supplier. In the first eight months of this year, India imported 243,116 tons of aluminium scrap from the US, up by 15.07% from a year earlier.

China has rejected scrap of lower metallic grades over the past two years. Under the Chinese definitions, there are three categories of aluminium renewable materials that are permitted for import and domestic trade - cast aluminium alloy, zorba and secondary aluminium ingot. In the case of zorba, the total metal content must not be lower than 99.1% - the lowest threshold among the three.

Shah does not expect India's new aluminium scrap specifications to result in any drastic changes in India's import volumes.

"Parameters are quite elaborate already, including details on grades, packaging, quality and inspection procedures. Some minor revisions may be required, depending on feedback obtained through consultation," he said.

Shah, who expects the new standards to come into effect over the next 12 months, has been collaborating with the Material Recycling Association of India (MRAI) and government authorities to compile the new set of standards since early 2021.

Meanwhile, similar reclassification procedures [are happening for copper and ferrous scrap in India](#).



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China, the world's biggest scrap importer, outlined its specifications in 2020. It intensified competition for prime scrap and pushed up their prices, which resulted in a massive diversion of low-grade scrap to Southeast Asia and Europe. Countries such as Malaysia and Indonesia are increasingly cautious of being used as a dumping ground for such material, and have followed suit with their own refinements of scrap import rules.

To match the new Chinese specifications and rising demand for pricing discovery in China, Fastmarkets in summer 2021 launched an assessment of the [London Metal Exchange and Comex copper price discount for No1 copper material, RCu-2A,1B \(candy/berry\), cif China](#).

The discount was last assessed at 8-12 cents per lb at the end of September.

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