Fastmarkets

Regulatory hurdles could hobble e-scrap trade, BIR panelists say

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Looming changes in export regulations could have a significant impact on electronics scrap (e-scrap) markets at a time of soaring interest in battery recycling, panelists said at this week's Bureau of International Recycling (BIR) conference in Dubai.

From January 2025, both hazardous and non-hazardous e-scrap shipments must receive prior informed consent from both the importer country and any transit country under changes to the Basel Convention.

"Even though some trade will be permitted in electronics, it will be subject to these prior procedures, and we heard that anecdotally that this can take months if not years for these approvals to occur," Fred Fischer, assistant vice president of international trade at the Institute of Scrap Recycling Industries (ISRI), said at the event.

"It really has a dampening effect on trade," he said, adding that reform of the convention is required.

Furthermore, the European Union is looking to expand its definition of waste, which could mean further restrictions on the trade of electronics scrap, according to Fischer.

According to an EU parliament document from April 2022, while e-scrap is the most rapidly growing waste stream in Europe, it only has a recycling rate of under 40% in the region.

"Right now, if you are checking equipment and products, cleaning, repairing and refurbishment, generally that's considered permissible operations and not considered part of the agreement," Fischer said.

"We are trying to limit an expansion of the definition of use because that would mean obviously that more things would be covered for controls and potentially prohibited," he added.

Lobbying from EU ferrous and non-ferrous scrap consumers within discussions over the stricter overhaul of the trading bloc's Waste Shipment Regulation (WSR) has also touched upon removing the distinction of trading material classed as waste from EU countries to fellow Organisation for Economic Co-operation and Development (OECD) countries, Emmanuel

Katrakis, secretary general of the European Recycling Industries' Confederation (EuRIC), said.

"Our customers are doing a very strong lobby to delete the distinction between OECD and non-OECD countries and switch the lights off [on scrap exports]. Not only are we completely against this, it would be illegal," Katrakis said.

Challenges, opportunities for battery recycling

The tougher regulatory environment surrounding e-scrap will also likely affect battery recycling from smaller appliances. Lead-acid, nickel-cadmium and lithium-ion batteries are the most common forms of battery found in e-scrap, according to recyclers Sims Lifecycle.

The looming clampdown on the trade of e-scrap comes at a time of rising interest in lithium-ion battery recycling with several companies launching operations to recycle such batteries into black mass from which metals such as lithium and cobalt can be recovered.

US copper giant Freeport-McMoRan will set up an e-scrap collection chain and scrap processing plant in Spain, sources told Fastmarkets, while Electra Battery Materials is commissioning a black mass recycling demonstration plant in Ontario, Canada.

There is "considerable discussion underway" about battery recycling in regulatory corridors, according to Fischer, but he said it would be unclear how the material will be treated under the Basel Convention.

Battery recycling presents enormous opportunities, but several hurdles remain until there can be standardized trading and pricing of the material.

On the BIR sidelines, one battery recycler told Fastmarkets that he was unsure over which harmonized system (HS) codes should be used in the international trading of black mass because each lot of the material contained different metals.

Jan Visser, Benelux director at Dutch recyclers Mirec and interim chairman of the BIR e-scrap committee, laid out some of the most significant challenges and opportunities he saw in the industry.

"The problem [with black mass] is that the focus of our business is more on car recycling. Companies like Umicore are far ahead when it comes to separation and also melting, but for the smaller appliances, it is a real challenge," he said.

"We are looking at it, and we are also looking at the development of lithium-ion batteries. Wet batteries are being replaced by drier batteries, which will make recycling of black mass easier, so from that respect the future will bring more opportunities," he added.