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BIR 2021: EU could ban scrap metal exports by December despite industry protests

A decision by the European Union on the future of the bloc's scrap metal export trade, which is worth billions of euros per year, could come as early as December this year, the Bureau of International Recycling (BIR) conference in Brussels heard on Tuesday October 26.

The recycling industry is facing tremendous challenges in lobbying, panelists said. The EU has proposed restrictions on the export of "waste" material, and BIR representatives have been trying over the past year to convince the EU's executive branch, the European Commission (EC), that it should no longer regard processed, clean scrap of high metallic content as "waste."

The [EC's intention is to avoid any adverse "effects"](#) on the environment and public health caused by shipments of waste to third countries outside the EU," according to its website.

But the way it intends to achieve this could jeopardize exports of scrap metal from European countries, and could cause ripple effects for the global metals supply chain, according to Murat Bayram, director and head of non-ferrous metals at recycler EMR.

"The EC said it will take action, not [that it would] discuss [how to proceed]," Bayram added. "[It will] not think about it, but will take action to ensure that it does not export its waste problems to third countries. So we are not talking about opportunities [to set a mutually acceptable course]."

Bayram said that the EC would not listen to the arguments put forward by the recycling sector, but had made up its mind beforehand.

The EU is the world's biggest ferrous scrap exporter, according to its statistics service, Eurostat. The 27 member countries exported 17.45 million tonnes to countries outside the EU in 2020. They also exported 605,648 tonnes of copper scrap and 946,565 tonnes of aluminium in 2020.

But both ferrous scrap and non-ferrous scrap from Europe may no longer be sold overseas, unless buyers are able to prove that their scrap processing standards comply with those of the countries of origin and that they are not emitting extra pollution, according to the EC's proposal.

While the industry is sizeable, the policymakers were not taking the industry's views seriously and seemed to have a fixed image of scrap as plastic items washed up on beaches, Bayram said.

Michael Lion, chairman of the BIR's International Trade Council and president of Everwell Resources, commented on the industry's discussion with EC officials.

"What is happening," Lion said, "[is that] people who have neither knowledge nor understanding of the consequences of their actions are telling us what to do, instead of consulting the industry [on] what [needs to] be done. To be very blunt... they are [being] fundamentally arrogant."

While the EU's proposed policy move may keep metal materials within the region, other countries were imposing more control over the quality of the scrap metal imports they allow.

In January 2020, China redefined importable scrap metal as recyclable material, and since then there has been massive buying of clean copper scrap of the highest grade. Malaysia and Indonesia have stepped up their quality thresholds also. Most recently, [India has begun to look into setting its own standards](#) for scrap metal products.

"There has been [a] fragmentation... and people just do not agree with the scrap classifications put forward by developed countries," Mark Sellier, president of major scrap trader Global Metals Network, said.

"In India, there is a very big lobby [in favor of scrap imports] and the local industry body is pushing very hard," he added. "Indian politicians are more aware of the many small and medium-sized enterprises [SMEs] operating in the sector. I am hopeful about India, but not so sure about Malaysia. China is thought of as being very restrictive, and we are sending better quality stuff there to get better prices."

While scrap flow continues to be dominated by regional policy initiatives, BIR's mission to promote free trade and the use of recycled materials worldwide was facing unprecedented challenges, Lion said.

"Regional models have been imposed upon us by regulation," he said. "I have been in the industry for more than 50 years, and I have never seen any conditions as challenging as [those we face] today."

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