

BIR 2021: India to have its own scrap definitions, key to energy transition

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India is looking to set its own standards for copper and aluminium scrap to ensure better environmental compliance of secondary industries and improve the quality of finished products, Dhawal Shah, Bureau of International Recycling's (BIR) board chairman, said.

“There are two choices for the people in power. The first one is to believe in the good work of our industry and allow ramping up of secondary production to help the economy and environment. For that, they need to have sit down, and work out a suitable, conducive regulatory framework, which allows this transition. Or create laws which are impossible to comply – and choke the recycling industry,” Shah said at BIR's 2021 convention on Sunday October 24.

When asked if the Indian non-ferrous scrap reclassification will be similar to China's, Shah said “India won't want to go down that road.” India's standards, currently under discussion, shall cover both importable and domestic scrap, he said.

For decades, the industry has been trading non-ferrous and ferrous scrap based mainly on specifications provided by the United States-based Institute of Scrap Recycling Industries (ISRI).

In 2020, China reclassified [high-purity copper scrap](#) and aluminium scrap, intensifying competition for prime quality scrap and causing the [massive diversion of other grades to Asia and Europe](#).

Fastmarkets' assessment of the [discount for No 1 copper material, RCu-2A,1B \(candy/berry\), cif China](#) narrowed to 2.00-2.50% of London Metal Exchange copper price in September, compared to around 5% in June.

Meanwhile, Asian countries like Malaysia and Indonesia, where scrap yards sprung up to process diverted material, have set [stricter impurity threshold for scrap metal imports](#) as well.

There have been vigorous discussions with the related authorities over the past six months, according to Shah, and he believes that the new standards, supplemented by an efficient disposal penalty system, would be beneficial for the recycling industry and the country to retain helpful resources.

He is confident that the Indian standards will include secondary material of lower metallic content, which [could be banned from entry to Asian countries](#) like Malaysia from November onward.

To attract more copper resources, Indian government already announced that it will reduce the import duty on copper scrap from 5% to 2.50% in February.

“The more metal we recycle, & consume, the more growth for the country,” he said.

Earlier this month, India set an ambitious target of installing 450 GWh of renewable energy by 2030. Recently undergoing power shortage, over 60% of the country's power is generated from fossil fuel as of September 30, according to government website.

"Growth for copper demand is beyond comprehension. We need copper to build wind turbines and solar panels," he added.

Last year, the country imported around 1.37 million tonnes of aluminium scrap and 228,999 tonnes of copper scrap, according to commerce ministry.

India turned into a net importer of copper since [closure of Sterlite Copper's Tuticorin in 2018](#). India's total reserve of copper ore is also small. According to its mining ministry, it is estimated at 1.51 billion tons compared to a world total of 2.6 trillion tons.

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