

# India to up the ante in metals recycling

**I**kbal Nathani is at present the President of Metal Recycling Association of India. He has been credited with taking active steps to promote sustainable development through metals recycling. Mr. Nathani is also the Ambassador of India for the Bureau of International Recycling and is the Chairman of Nathani Group of Companies.

With a career spanning over 45 years in steel and recycling industry, he has become the most sought after personality at national & international forums.

In an interview with **Paresh Parmar**, he provides insights on the Indian and global scrap metal recycling scenario and also shares some vital inputs that that could provide thrust to the industry...

## How was the market performance of scrap in 2010 ?

The Indian scrap market performed well during 2010. During the year April 2009 to March 2010, India imported around 5.2 Million MTS of various grades of steel scrap as compared to 4.42 Million MTS in the previous year, and about 0.49 Million MTS of non-ferrous scrap as compared to about 0.39 Million MTS in the previous year.

## Your views on the domestic ship breaking ...

The ship breaking industry at



"The usage of metal scrap should be promoted in India. As GDP grows and per capita consumption increases, the country is on the path to be one of the largest recyclable material generators over the next decade"

### Ikbal Nathani

President, Metal Recycling Association of India

Alang, Gujarat is providing a good source of domestic raw material to Indian steel mills.

In 2009-10 around 400 ships were beached in Alang that provided 3.10 million LDT of scrap. Further in 2007-08 and 2008-09 the number of ships beached included 127 and 269 that provided 0.58 Million LDT and 1.90 Million LDT of scrap respectively.

Globally, around 95 Million MTS of Ferrous Scrap was traded in 2009.



## What are the economic benefits of metal scrap?

Recycled metal scrap is a secondary raw material which converts waste into wealth for the nation. Recycled metal scrap has tremendous environmental and economical benefits. Recycled metal scrap industry provides employment to lakhs of workers in India.

Globally, the scrap recycling industry is worth over \$200 billion, employs over 1.6 million people and handles over 600 million tonne of recyclables every year. Recycling sector plays a vital role in the sustainability of environment. It must be supported and promoted so that end of life vehicles/white goods/revert scrap are disposed off in a safe manner. Metal scrap is a vital raw material source for India's electric and induction furnace mills as well as for non-ferrous secondary sector producers, like SSI and micro units, that are heavily dependent on the same. Hence usage of metal scrap should be promoted. As GDP grows and per capita

consumption increases, India is on the path to be one of the largest recyclable material generators over the next decade.

### **Environmental benefits of metals scrap...**

The recycling of metals has immense benefits for the environment. For instance, if you compare energy saved using recycled material versus virgin ore, it will be 74 per cent for iron and steel scrap, 95 per cent for aluminium scrap, and 85 per cent for copper scrap. In fact, recycling one tonne of steel scrap saves 1.2 tonne of iron ore, 0.7 tonne of coal, 0.5 tonne of limestone, 287 litres of oil and 2.3 cubic metres of landfill.

Further, recycling one tonne of aluminium saves eight tonne of bauxite ore, 14 megawatt hours of electricity, 6300 litres of oil and 7.6 cubic metres of landfill. The emission of CO<sub>2</sub> is drastically reduced by using scrap instead of ores like 58 per cent for iron and steel scrap, 92 per cent for aluminium scrap, 65 per cent for copper scrap and 99 per cent for lead scrap.

### **How is the current international ferrous scrap market scenario?**

The year 2011 began on a very positive mood for the international scrap industry. Prices reached highs not seen in over 2 years. This was mainly been due to supply side constraints and the onset of the winter weather. The current market also remains to be firm, though there are global uncertainties that could impact the overall impact including geopolitical tensions in Middle East/Africa, the Japanese earthquake impact on the Asian markets, etc.

In the near terms, we expect the prices of scrap to be volatile. India has always been and will continue to be an opportunistic importer of ferrous scrap. Since DRI/Sponge Iron is available within India, most mills switch

over to sponge iron/DRI when international ferrous scrap prices become too high and uneconomical for import.

### **Challenges being faced by the metals recycling industry...**

The Indian Metals Recycling Industry today has to face a number of challenges including lack of any formal organized metals recycling industry structure in India, lack of any domestic laws and legislation that assist and apply to the domestic metals recycling industry (eg. end of life vehicle legislation etc), lack of central and state government support to promote metals recycling, lack of any specially designated zones/areas for metals recycling and import duty levied on metals recycling equipment and import duty levied on ships for scrapping. Such bureaucratic hurdles only help other countries such as China, Turkey, and Pakistan in getting scarce secondary raw materials.

Besides, every now and then, Government (Ministry of Environment and Forests) imposes hindrances that impact the free trade of scrap. These were mainly in the form of banning traders from importing scrap, classification of scrap as "hazardous" waste, red-tapism in the form of filling up additional documents like Form 1, 4, 9, 10, 13, registration with State Pollution Control Boards (SPCBs) etc.

### **Assistance sought from the government to support metal recycling in India...**

MRAI has put forward certain recommendations to Government of India. These include: framing of laws and legislation that assist and encourage the domestic metals recycling industry, framing of a national policy for metals recycling, promoting & providing incentives for metals recycling in India, promoting free trade of scrap

(no restrictions/hindrances to be placed on import of metal scrap), forming specially designated zones/areas for metals recycling in each major city.

Further, Ministry of Environment and Forests (MoEF) has to abolish requirements of notification dated September 24, 2008, for ferrous and non-ferrous scrap as traders to register with SPCBs and numerous forms have to be filled up. Also Directorate General of Foreign Trade (DGFT) should penalize and blacklist inspection agencies that are found guilty of issuing fake and bogus pre-shipment inspection certificates.

The Steel Ministry or Joint Plant Committee has to undertake a study to understand domestic metal scrap arising, databank should be maintained thereafter. The import duty levied on metals recycling equipment and on radiation detection equipment has to be abolished. The 5 per cent import duty levied on vessels that come to India for breaking should be abolished. All the ports and ICDs have to be installed with radiation detection equipment.

### **MRAI's role in facilitating growth of the industry**

Metal Recycling Association of India (MRAI) promotes all types of metal recycling (ferrous, non-ferrous and ship-recycling) within India. It is the only National Association that brings under one umbrella all the various regional recycling associations as well as individual companies as its members. It liaises with various authorities in Indian government authorities like MoEF, Steel Ministry, DGFT, State Pollution Control Boards, Port Authorities, Customs etc, on recycling related issues. Globally, MRAI works with Bureau of International Recycling (BIR), Belgium and Institute of Scrap Recycling Industries (ISRI) USA.