Trading Metal Scrap: What did influence our business?
AGENDA

- Introduction
- Importance of Scrap Recycling
- Scrap Market
- Outlook
INTRODUCTION
EMR has a heritage dating back to the 1950s when the Sheppard Group was established in the North West of England. Our core business is still metal recycling. However we have diversified into the recycling of plastics, environmental consultancy and energy production, to better meet the challenges of today’s society and offer our customers a full service package.
IMPORTANCE OF SCRAP RECYCLING
LET ME TAKE YOU TO A SHORT EXCURSION
IMPORTANT OF SCRAP RECYCLING

- The current world population is expected to reach around 10 billion in 2050
- China and India remain the two largest countries in the world, each with more than 1 billion people
- With the highest rate of population growth, Africa is expected to account for more than half of the world's population growth until 2050
- Globally the number of persons aged 60 or above is expected to more than double by 2050
Approximately 8.5 billion MT of plastic is produced since 1950
- More than 1,000 kg per population
- Of all plastic that has been produced, 6.3 billion metric tons has become plastic waste. Of that, only nine percent has been recycled. The vast majority—79 percent—is accumulating in landfills or sloughing off in the natural environment as litter. Meaning: at some point, much of it ends up in the oceans, the final sink.

Plastic recycling rates are still very low – most of the secondary plastic is recycled only once

Source: Bren School of Environmental Science and Management, University of California, Santa Barbara, Santa Barbara, CA 93106, USA
IMPORTANCE OF SCRAP RECYCLING

- Recycling aluminum saves 90-95 percent of the energy needed to make aluminum from bauxite ore.
- Recycling copper is a safe process and uses only 15% of the energy that is necessary to refine copper.
- Using ferrous scrap instead of virgin ore generates 97 percent less mining waste, uses 40 percent less water and saves one MT of CO₂. Recycling steel uses 60 percent less energy than deriving it from raw materials.
STILL ON AN EXCURSION...
1976

THE LAST TIME....
Earth Shooting Day 2017 was on the 2nd of August

We use 1.7 times more resources than the world can produce within a year

RECYCLING!
LESS BUREAUCRACY

- RECYCLING LAW
- COPPER GRANULES
- CAR RECYCLING
SCRAP MARKET
2017 = BORING MARKET?
National SWORD Campaign

- China imported 2016 7.3 million tons of plastic and 27 million ton of recovered paper

Big influence on grades like motors and cables
- Increasing capacities for processing cables and motors
- Increasing availability of copper granules in Europe
- Less Aluminium productions – only short term?

Chinas banking regulations will tighten control over risks

Electric Car Rules: for 2019 = 10% and for 2020 = 12%

China accounts for 19% of the world population and 18% of global GDP, but it consumes disproportional amounts of commodities. For example China dominates the coal, iron ore, nickel and aluminium markets, consuming more than half of the world supply.

- Source: Goldman Sachs Commodities Research „China on Demand“ 4th of September
Rising protectionism is creating uncertainty for international active companies

- Import tax for Chinese aluminium products
- Idea of taxes for automotive industry
- Political situation
COPPER SCRAP MARKET
COPPER

LME Copper Price in USD

Source: www.investing.com
CURRENCY
Within 90 Days the EUR was getting weaker by 7.4%

Betw. 01.10.16 & 31.12.16
Cu rose in USD by 13.9% and 22% in €

Betw. 08.09.17 & 27.09.17
Cu dropped in $ by 4.2% but only 1.85% in €

From January to September 2017 the USD lost 15.6%
STILL ON BOARD?
WHAT CAN WE EXPECT...?
According to a research of the Fraunhofer-Institut the production of an electric car produces 60% more carbon dioxide than a normal car.

- Energy by coal-fired power station?
- Energy by nuclear power plants?
- How can we solve the problem to charge several million cars every day?
- Demand for Lithium and cobalt is rising due to the higher production of electric cars – price for those metals are as well rising.
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