

Aluminium and copper scrap market report, November 2015

Aluminium scrap and alloy trade (kt)

	2013	2014	2014 ytd	2015 ytd	2015 May	2015 Jun	2015 Jul	2015 Aug	2015 Sep
Austria									
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Exports	151.4	173.1	114.5	119.8	10.1	12.0	15.5	9.8	-
Net exports	151.4	173.1	114.5	119.8	10.1	12.0	15.5	9.8	-
Belgium									
Imports	206.8	238.3	139.4	157.3	15.3	22.3	13.9	16.7	-
Exports	289.0	286.1	187.1	192.3	25.5	24.5	21.8	15.8	-
Net exports	82.2	47.8	47.7	34.9	10.2	2.2	8.0	-0.9	-
France									
Imports	246.8	234.6	158.0	159.8	21.8	23.7	23.7	19.7	-
Exports	447.7	485.6	312.9	298.3	34.2	42.8	36.2	24.2	-
Net exports	200.9	251.0	154.9	138.4	12.4	19.1	12.4	4.5	-
Germany									
Imports	556.7	629.5	400.8	430.0	64.8	51.3	68.4	54.5	-
Exports	927.2	1035	678.9	644.2	84.5	72.5	92.0	67.0	-
Net exports	370.6	405.6	278.2	214.2	19.7	21.2	23.6	12.5	-
Poland									
Imports	175.5	206.8	127.9	170.5	21.4	22.5	23.4	19.2	-
Exports	151.7	182.8	120.5	120.2	13.8	16.0	16.9	13.7	-
Net exports	-23.9	-24.0	-7.4	-50.4	-7.6	-6.5	-6.5	-5.5	-
UK									
Imports	113.2	168.3	121.8	98.3	14.3	8.7	10.1	11.2	7.6
Exports	402.0	450.8	328.8	287.6	2.7	35.5	31.4	23.9	33.3
Net exports	288.9	282.5	207.0	189.2	-11.6	26.8	21.2	12.6	25.7
China									
Imports	2504	2306	1681	1618	174.7	182.8	211.7	193.5	192.2
Exports	1.3	1.0	0.8	0.8	0.1	0.1	0.1	0.1	0.1
Net exports	-2503	-2305	-1680	-1618	-174.6	-182.8	-211.6	-193.4	-192.2
Japan									
Imports	55.5	75.8	41.4	48.8	5.5	5.2	3.7	3.5	-
Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Net exports	-55.5	-75.8	-41.4	-48.8	-5.5	-5.2	-3.7	-3.5	-
USA									
Imports	538.2	537.0	400.6	388.0	41.0	44.0	38.7	41.7	39.6
Exports	1822	1668	1246	1129	131.1	143.4	143.3	140.2	126.9
Net exports	1283	1131	845.4	741.4	90.0	99.4	104.6	98.4	87.4

Source: MBR

Aluminium secondary refined production (kt)

	2013	2014	2014 ytd	2015 ytd	2015 May	2015 Jun	2015 Jul	2015 Aug	2015 Sep
France	181.2	181.2	135.9	135.9	15.1	15.1	15.1	15.1	15.1
Germany	597.4	599.4	453.4	470.7	51.3	53.2	54.8	47.0	53.1
EU	2113	2203	1656	1836	202.9	204.8	186.4	178.6	246.0
Japan	809.3	831.1	611.8	577.8	58.5	66.4	70.2	56.9	67.7
USA	3482	3635	2722	2697	286.0	308.0	302.0	300.0	301.0

Source: MBR

Aluminium

Scrap flows have slowed this year, with net trade figures for most countries listed in our table showing lower volumes year-to-date in 2015 than during the comparable period a year ago.

This is true not just for aluminium scrap but across the non-ferrous scrap industry. And it is less the result of reluctance by sellers to offload material at this year's lower prices, and more to do with a hesitation among buyers to purchase.

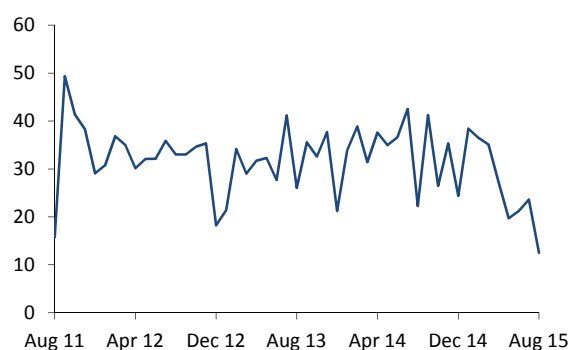
More worrying, however, is the pressure that buyers are putting on their suppliers to reduce or even eliminate up-front deposits, leaving sellers open to far higher risks at a time when the chances of default are, arguably, much greater. China – the world's biggest importer of aluminium and alloy scrap – is the main country where up-front sales deposits for shipments are coming under pressure.

Chinese imports were down 3.7% year-on-year in the first nine months of 2015. Meanwhile, for the USA – the world's largest aluminium scrap exporter – shipments abroad were down 12.3% year-on-year.

In Europe, the picture is the same, with volumes of aluminium scrap down this year in the region's main markets Germany (-23.0%), France (-10.6%) and the UK (-8.6%) – all net exporters.

Japan (a modest importer of aluminium scrap) is an exception to the trend noted already, with year-to-date arrivals increasing, by 17.8%.

German aluminium scrap net exports (kt)



Copper scrap and alloy trade (kt)

	2013	2014	2014	2015	2015	2015	2015	2015	2015
			ytd	ytd	May	Jun	Jul	Aug	Sep
Austria									
Imports	102.6	106.3	72.9	59.8	7.9	6.1	8.3	5.9	-
Exports	50.8	58.3	35.3	34.8	4.7	4.4	4.7	4.2	-
Net exports	-51.8	-48.0	-37.6	-25.0	-3.2	-1.7	-3.6	-1.7	-
Belgium									
Imports	307.1	293.9	190.3	170.4	21.6	23.0	19.5	13.6	-
Exports	144.2	127.9	85.7	75.0	10.3	10.5	8.0	5.9	-
Net exports	-162.9	-166.0	-104.7	-95.4	-11.3	-12.5	-11.5	-7.7	-
France									
Imports	37.4	48.2	29.6	72.2	10.2	9.8	9.4	10.3	5.9
Exports	298.9	321.1	244.2	216.5	23.0	25.9	23.0	12.4	30.0
Net exports	261.5	272.9	214.6	144.3	12.9	16.2	13.7	2.1	24.0
Germany									
Imports	612.8	647.7	430.4	393.7	53.3	48.6	40.4	34.5	-
Exports	510.2	526.1	336.5	350.7	44.9	43.7	42.1	36.2	-
Net exports	-102.6	-121.6	-93.9	-43.1	-8.4	-4.9	1.7	1.7	-
Italy									
Imports	151.7	178.3	114.5	104.9	12.2	13.8	16.6	3.8	-
Exports	172.6	174.3	109.6	121.4	18.9	18.0	16.4	7.0	-
Net exports	20.9	-3.9	-4.9	16.5	6.7	4.1	-0.1	3.1	-
Netherlands									
Imports	159.4	133.2	82.9	94.8	13.3	13.2	11.0	10.1	-
Exports	286.6	303.4	196.6	204.2	26.8	31.0	18.6	19.2	-
Net exports	127.2	170.3	113.8	109.4	13.4	17.8	7.6	9.0	-
Switzerland									
Imports	4.0	4.1	2.8	3.4	0.4	0.5	0.4	0.2	0.3
Exports	80.1	82.2	61.6	61.6	6.8	7.1	7.5	5.1	8.2
Net exports	76.1	78.1	58.8	58.2	6.4	6.7	7.1	4.9	7.8
Turkey									
Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Exports	23.3	17.5	13.0	8.5	1.9	1.3	0.7	0.6	-
Net exports	23.3	17.5	13.0	8.5	1.9	1.3	0.7	0.6	-
UK									
Imports	25.1	28.2	20.9	19.5	2.2	1.9	2.1	2.0	2.1
Exports	291.9	275.4	202.9	202.4	21.3	24.0	22.2	26.8	19.8
Net exports	266.8	247.2	182.0	182.9	19.2	22.1	20.0	24.8	17.8
China									
Imports	4373	3875	2463	2341	284.8	316.7	358.2	290.303	340.0
Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exports	-4373	-3875	-2463	-2341	-284.8	-316.7	-358.2	-290.3	-340.0
Japan									
Imports	127.9	159.2	124.9	125.6	0.0	6.5	14.2	13.3	15.5
Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net exports	-127.9	-159.2	-124.9	-125.6	0.0	-6.5	-14.2	-13.3	-15.5
USA									
Imports	106.3	116.4	88.5	83.7	0.0	7.7	8.3	9.5	9.8
Exports	1178	1061	800.3	736.5	0.0	50.7	83.7	85.4	81.7
Net exports	1072	944.9	711.8	652.8	0.0	42.9	75.4	75.9	71.9

Source: MBR

Copper secondary refined production (kt)

	2013	2014	2014	2015	2015	2015	2015	2015	2015
			ytd	ytd	May	Jun	Jul	Aug	Sep
Belgium	158.0	159.0	105.9	105.0	13.4	12.9	13.2	13.2	-
Germany	287.6	285.0	188.7	189.7	24.2	23.4	24.2	24.2	-
China	2156	2255	1444	1540	196.3	200.4	201.0	193.3	-
Japan	257.9	257.6	173.7	158.1	15.6	19.1	22.9	22.3	-
USA	46.9	46.0	30.5	31.3	4.4	3.3	3.6	3.9	-

Source: MBR

Copper

The world's top copper scrap importer, China, is experiencing another weak year in terms of volumes. Over the January-September period, consignments arriving in the country's ports were 6.1% lower year-on-year.

This continues a well-established trend visible in the annual data, which in part reflects ongoing improvements in domestic scrap collection, thereby reducing China's demand for foreign material. A weaker manufacturing sector has also weighed on Chinese scrap demand in 2015.

However, Chinese secondary refined copper production has accelerated this year, rising by 6.6% year-on-year over the eight months to August, compared with an annual increase of 4.8% during 2014. This reflects new capacity coming on line.

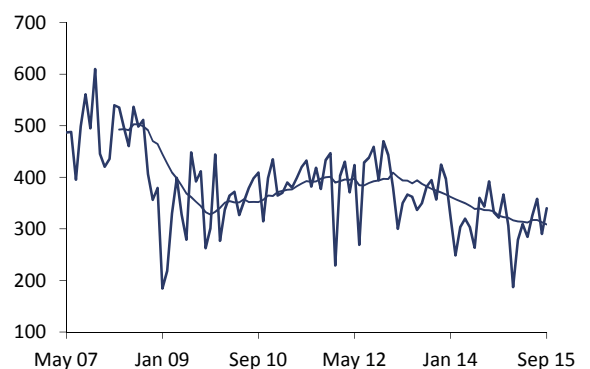
The USA – the world's largest copper scrap exporter – remains China's principal supplier, accounting for approximately 18% of total imports. Hong Kong accounts for around 16%.

European countries have, on the whole, also imported less copper and copper alloy scrap this year compared to 2014. Austria (-17.9%), Belgium (-10.5%), Germany (-8.5%), Italy (-8.4%) and the UK (-6.7%) have all shown large year-on-year declines in import volumes.

Growth in European production of secondary copper has, however, been flat this year, indicating that scrap stocks have been run down.

Latest data for Germany, by far the biggest scrap importer in Europe, shows that the country posted an 8.5% year-on-year decline in arrivals over the January-August period this year, with monthly import volumes progressively less in each of the last three months. Imports of copper scrap specifically were actually unchanged over the first eight months, with all the year-on-year reduction coming in the copper alloys category.

Chinese copper scrap imports and 12m MA (kt)



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