

Markets in the South Pacific

Global Market Recovery -an ISRI Town Hall Series: Middle East & Asia

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Covid19

The South Pacific

- Able to 'see it coming'
- Relatively quick response = reduced impact on public health
- Lockdown - last in / first out
- Borders remain 'closed'

Australia

- Scrap recyclers deemed essential services and able to operate throughout lock down
- Mills remained open

New Zealand

- Scrap recyclers not deemed essential; only able to open in support of essential services (e.g. food production)

Market Activity

- March**
- export volumes up approx. 30%
 - record month for many operators
 - increase in orders for foundries

April CLOSED / LIMITED OPERATIONS

- May**
- influx in supply volumes
 - busy clearing stockpiles
 - exports resume at near normal levels

- June**
- supply volumes down 20-30%
 - orders slow for foundries
 - export volumes at mid to normal levels

- July**
- demand present; lack of urgency from buyers
 - 'wait and see' approach by mills
 - business operations back to 'normal'



Right Now

- No uniform supply of materials
- Distinct lack of urgency from buyers
- Sales of smaller parcels becoming more common
- Peak season for shipping (plenty of space)
- Smaller island nations resting on materials
- Australia: back to normal levels for ferrous and around 85% for non ferrous
- NZ: most operators at 80% of normal trading for ferrous, 65% for non ferrous
- Positivity tempered with uncertainty

Right Now

Most South Pacific nations have provided a high level of government support for businesses including:

- Wage subsidies
- Tax relief and deferred tax payments
- Loan holidays
- Business loans at 0% interest and/or loans guaranteed by the government
- Loosening of laws governing trading when insolvent
- Free training on cashflow management and other business tools

What happens when it stops?

Unite
against
COVID-19

Unite
for the
RECOVERY

The Next Six Months

What we know now...

- ▶ Manufacturing is slow to return
- ▶ Major projects are on hold
- ▶ Container availability is an increasing issue
- ▶ Consumer spending is slowing
- ▶ Unemployment is increasing



The Next Six Months

What we think is ahead...

- ▶ Slow & steady until September
- ▶ Ferrous markets remain in tight, stable range
- ▶ Reduced options for export markets
- ▶ Increased drive to improve quality
- ▶ Further reduction in volumes
- ▶ Increased pressure on businesses
- ▶ **Display of industry resiliency**





End.
Thank You.