



The Voice Of the Recycling Industry  
in the Middle East

# Scrap Market in Middle East

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# ABOUT BMR – BUREAU OF MIDDLE EAST RECYCLING



- BMR is the voice of the recycling industry in the Middle East
- Based in Dubai, UAE we are a non for profit, non-political, non-religious organization.
- Representing the Middle East recycling industry to promote and protect the recycling industry worldwide.
- Promoting Environmental protection awareness and supporting the recycling industry in the region.
- BMR concluded the very first ever international virtual recycling conference on July7-9.



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# THE MIDDLE EAST REGION

- The Middle East has always been major centre of world affairs.
- Historically, it is the birth place of Islam, Judaism and Christianity.
- Strategic location and abundant oil wealth gained further global importance in recent decades.
- Oil producing countries have enjoyed tremendous growth in recent years with huge spending on infrastructure and industrial developments attracting international investors.
- Saudi, UAE major recycling centers generating and exporting recycling material to the world.



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# COVID-19 ECONOMIC IMPACT ON MIDDLE EAST MARKET

- Covid-19 pandemic followed by oil price collapse has impacted the economies substantially.
- The IMF predicting 3-4% negative growth for this year.
- Governments cut on spending and delay or cancel major developments projects in most oil producing countries including the biggest economies in the region (UAE and Saudi).
- In Saudi, VAT rate tripled from 5% to 15% , and the ambitious vision 2030 has to face projects delays or cancelations.
- In the UAE , Dubai had to postpone the long awaited EXPO 2020 till next year amongst other measures.
- Countries opted to reopen up they economy to different degrees.



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# SCRAP METALS – REGIONAL OVERVIEW

- Today, most scrap yards are operational with volumes surpassing 70-80% to 100%
- Regional shipping ports give advantage to secure a stable and fast supply source of their stockfeed
- The region also evolved from a pure supplier and exporter to a consumption market and even importing the scrap for processing
- Absence of proper recycling policies



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# SCRAP METALS – REGIONAL OVERVIEW

- Ferrous production in Saudi is estimated at 5 million tons/year
- Imported scrap rates on the rise as local supplies is not meeting local demand (Ex: Saudi steel producer SABIC)
- The UAE government imposed a 4 month temporary ban on export to support local steel producers
- Secondary aluminium production is on the rise with some producers importing scrap for processing – (Ex: Maaden Aluminium in Saudi Arabia)
- The main export markets are India, Pakistan and Bangladesh.
- Growing tension between China and India is on the rise this could have negative impact on trade between India and the Middle east as Indian buyers producing ingots for export to china.



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# THE FUTURE

- E-scrap on the rise with several recycling facilities in the UAE (Ex: Enviroserve)
- Introduction of new waste management policies, the scrap recovery rates could be higher and opportunities will arise in various sectors on e scrap, plastics, papers in addition to the metal sectors.
- The UAE is destined to be the regions major scrap processing centre as proper investments laws exist across various free zones and major ports with high frequency sailings.



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**THANK YOU**