



Indian rupee devaluation hits Middle Eastern non-ferrous scrap flows

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The weakening of the Indian rupee against the dollar in recent weeks, combined with increased Indian import duties, has led to a sharp reduction in scrap flows to the Asian country, according to one Middle Eastern recycler.

The devaluing of the rupee, a factor which recently brought containerised US ferrous scrap exports to India to a standstill, has now begun to affect non-ferrous scrap flows, according to industry sources.

India's rupee this week plunged to an all-time low of 60.765 per dollar, breaching the previous low of 59.985 on June 20.

"The Indian devaluation against the dollar has reduced imports into India," Salman Shaban, commercial manager of Dubai-based metal recycler Lucky Group, told Metal Bulletin.

"Recently, due to the INR devaluation, the Indian importers have been hit hard as they are reluctant to import more freely and they have to pay more for the same goods," he said.

New import duties on scrap are also taking their toll in India, scrap industry sources said.

In a move which sparked outrage among Indian importers and international exporters, India last month introduced a 2.5% tax on imports of aluminium, ferrous and stainless steel scrap.

India also introduced a 4% Special Additional Duty (SAD) on brass scrap imports, which were previously exempt from the tax.

The Middle East is one of the most important and strategic suppliers of non-ferrous scrap to India, so this has been particularly difficult for suppliers in the region, Shaban noted.

"This is another reason for the decline in prices," he said.

The Lucky Group is a Dubai-based organisation, which trades copper, ferrous, brass and aluminium scrap.

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