

The 'dirty' but profitable scrap-tyre business is on a roll around the world



Playing with fire and their health Workers operate furnaces at a tyre pyrolysis plant in Kulai, in Malaysia's Johor province REUTERS

Recycling rubber to build roads and make cement comes at a huge ecological cost

REUTERS

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International trade in waste tyres has almost doubled in the past five years, according to data provided by customs departments to the United Nations, generating millions of dollars in business across the supply chain.

The biggest, and fastest growing, trading route is from Britain to India, where authorities are increasingly worried about the dirty business of turning waste rubber into oil – a process called pyrolysis.

Reuters has interviewed dozens of players in the waste tyre business in India, Malaysia, Britain, Singapore and Dubai – including garages, collectors, exporters and end users – to find out who makes money from waste tyres.

Collectors and sellers

In Britain, the largest exporter of waste tyres, garages charge motorists around £2 (\$2.50) to take away their tyres, and then, in turn, pay collectors around £1 to take them off their hands.

Once collected, the tyres are bound into bales, which allows about 3,000 to be squeezed into a 40-foot shipping container, ready for export. The baled tyres are sold to exporters at around £260 per container.

Exporters then arrange sales to Indian importers. While their

margins are slim – around £60 per container – these firms ship hundreds of containers every month.

Importers in places like India and Malaysia told Reuters that they pay \$1,500-2,500 per container of tyres, around 75 per cent of which is the shipping cost.

Buyers and burners

Once in India, the tyres are dispersed between recyclers who shred them for use in road-building or sports fields, firms that burn them as cheap fuel to make cement or bricks, and pyrolysis operations that turn the waste rubber into low-quality oil, carbon black and scrap metal.

For each container of tyres, backyard pyrolysis operations can make around \$2,500 worth of oil, \$300 of steel scrap and \$200 of carbon black, according to plant operators. That means a profit of \$500-1,500 per container.

Given that rudimentary Chinese-made pyrolysis machines can be bought for as little as \$30,000, backyard businesses can quickly recoup their investment.

The problem is that the cheap machines are also highly polluting. More sophisticated equipment that limit emissions and waste can cost ten times more in India, according to local authorities.