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# Metal Scrap: Types, Uses, and Global Trade

Metal scrap is categorized into ferrous (iron-based) and non-ferrous (non-iron-based) materials, each with specific grades and qualities. This presentation explores the types, uses, markets, and regulations governing the metal scrap industry, providing essential information for buyers, sellers, and investors in this sector.





# Types of Qualities & Grades in Metal Scrap

## **Ferrous Scrap (Iron-based)**

- HMS 1: Clean, heavy steel, >6mm thickness, no galvanized parts
- HMS 2: Steel including galvanized/painted parts, >3mm thickness
- Cast Iron Scrap
- Shredded Scrap (ISRI 210-211 codes)
- Busheling Scrap (New Steel Scrap)

## **Non-Ferrous Scrap**

- Aluminum Scrap (UBC, Extrusion, Taint/Tabor)
- Copper Scrap (Birch/Cliff, Berry/Berry Candy, Millberry)
- Brass, Zinc, Lead Scrap
- Nickel, Tin, Titanium, etc.

The **Institute of Scrap Recycling Industries (ISRI)** provides internationally accepted grade codes that standardize scrap metal classification globally.

# Uses of Metal Scrap



## **Steelmaking & Foundries**

Used as raw material in furnaces

## **Construction Industry**

Beams, rods, rebar, etc.

## **Automobile Industry**

Vehicle parts, engines, body panels

## **Electrical & Electronics**

Copper/aluminum wiring, circuit components

## **Packaging & Consumer Goods**

Aluminum cans, foils, utensils, appliances, furniture





# Products Made from Metal Scrap

## Steel Products



Rods,sheets,bars,andcoils used in construction and manufacturing



## Aluminum Products

Recycledsheets,ingots,utensilswith lower energy consumption than virgin production



## Copper & Brass

Wires,cables,pipes,brass&bronzeproducts for electrical and plumbing applications



## Auto Parts

Machinerycomponentsandvehicle parts manufactured from recycled metals



## Household Items

Appliances,cookware,andfurniture made from various recycled metals

# Wholesale Markets of Metal Scrap in India

## **Mandi Gobindgarh (Punjab)**

Known as the "Steel Town of India" – major ferrous scrap trading hub

## **Ghaziabad (UP)**

Trading center for both ferrous & non-ferrous scrap

## **Mumbai & Navi Mumbai**

Major import hub due to port facilities

## **Alang Ship-Breaking Yard (Gujarat)**

World's largest ship recycling yard

Other significant markets include Delhi & Faridabad (non-ferrous), Howrah (foundry scrap), and Ahmedabad, Surat, Rajkot (brass, copper & aluminum).







# Quality Inspections & Test Reports

## **1 Pre-shipment Inspection (PSI)**

Required by DGFT for imports into India

## **2 Weight & Quantity Verification**

Third-party inspection reports

## **3 Chemical Composition Test**

Spectrometer analysis for purity verification

## **4 ISRI/IS Code Compliance**

International scrap grading standards

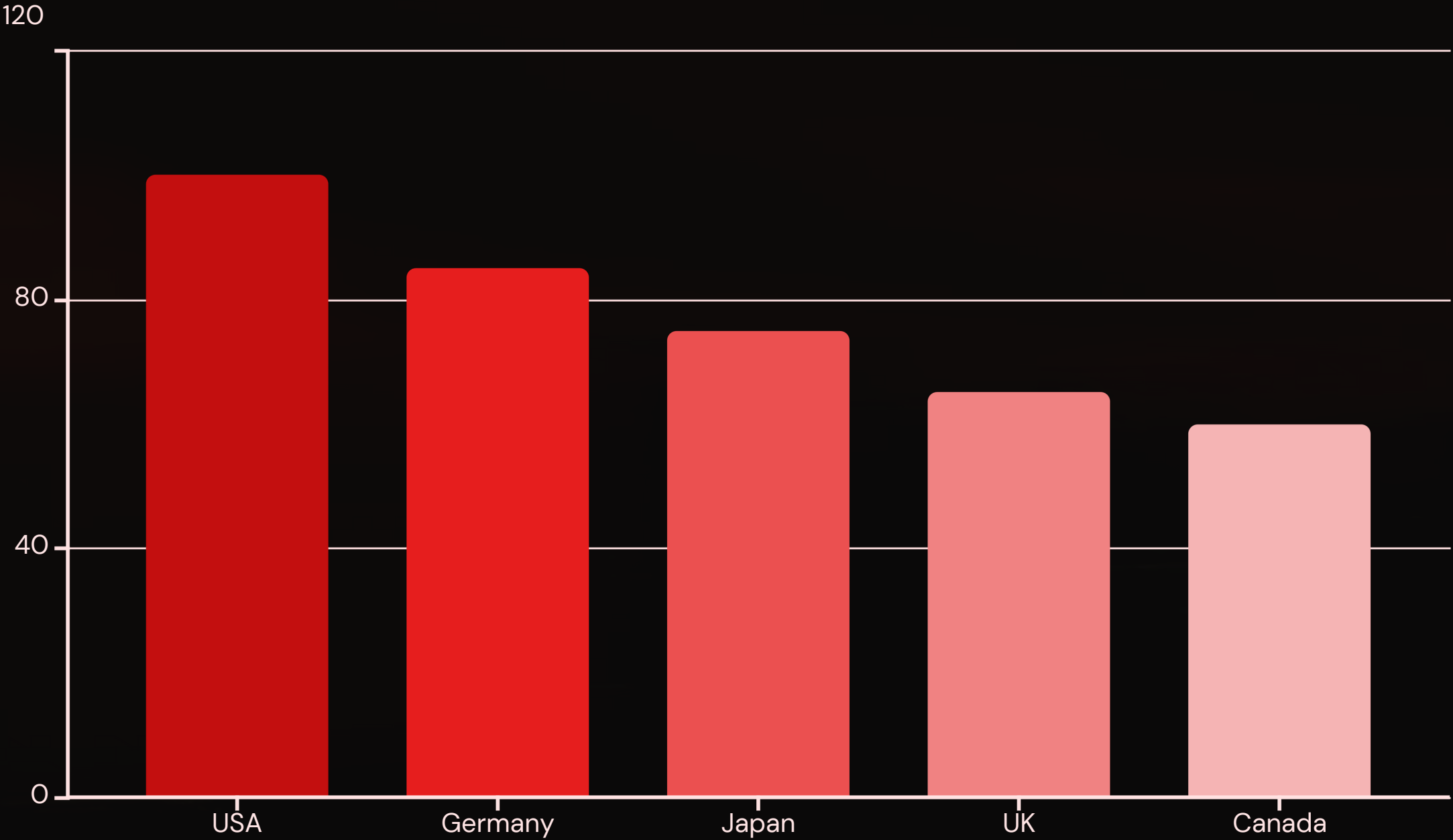
## **5 Radiation Certificate**

Ensures no radioactive contamination

## **6 Mill Test Certificate (MTC)**

For specific buyers with stringent requirements

# Top Exporting Countries of Metal Scrap



**USA:** HMS 1&2, shredded steel, copper, aluminum

**Germany:** Ferrous & non-ferrous scrap

**Japan:** High-grade steel scrap, HMS, shredded

These countries are major suppliers to importing nations like [India](#), [China](#), [Turkey](#), [Bangladesh](#), and [Vietnam](#).



# Packaging & HS Codes for Metal Scrap

## Packaging Methods

- BulkShipment in 20ft/40ft Containers
- Loose Loading in Breakbulk vessels (HMS & Shredded)
- Compressed Bales/Bundles (aluminum cans, copper wires)
- Drums or Pallets (smaller non-ferrous pieces)



## HS Codes

Material	HS Code
Ferrous Scrap	72044900
Aluminum Scrap	76020010/90
Copper Scrap	74040090
Brass Scrap	74040022
Lead Scrap	78020010

Exact HS code depends on the specific metal type and form.

# Challenges & Investment in Importing Metal Scrap

## Key Challenges

Strict import regulations (DGFT policy in India)

Mandatory pre-shipment inspection & radiation certificates

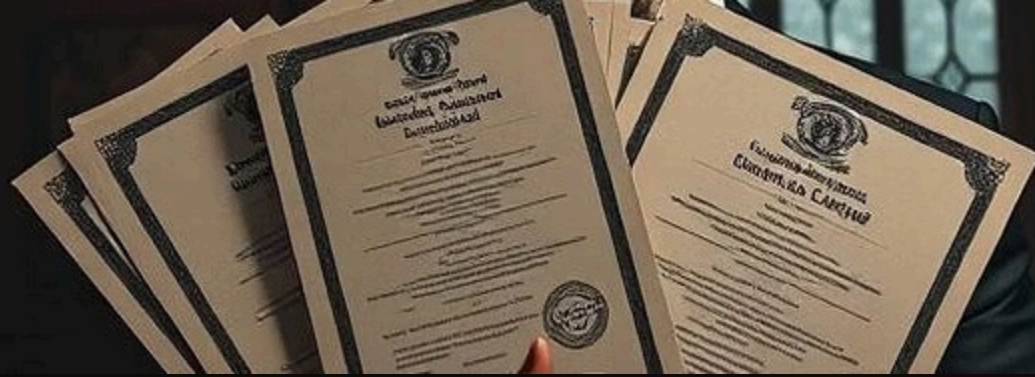
High import duty & GST (varies by metal type)

Fluctuating global scrap prices

Contamination risk (hazardous/radioactive materials)

## Investment Needed

- IEC Code (Import Export Code)
- Working capital for bulk purchase (minimum container = 25–28 MT)
- Pre-shipment inspection fee (\$250–\$500 per container)
- Customs duty, GST, port handling charges
- Storage facilities and processing equipment



# Certifications & Licenses Required

1

## **IEC (Import Export Code)**

Mandatory for all import/export activities

2

## **DGFT License**

Special permission required for restricted items

3

## **Pre-shipment Inspection Certificate**

Mandatory for all scrap imports to India

4

## **Pollution Control Board Clearance**

Required for recycling units

1

## **BIS Certification**

Sometimes required for alloy steels

2

## **Radiation Certificate**

To prove scrap is free from radioactive contamination

3

## **GST Registration**

Required for trading within India