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The man turning scrap into gold

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Second-generation UAE resident and business graduate Mayank Maheshwari talks to Suchitra Bajpai Chaudhary about why recycling scrap metal makes sense - for business and the environment

By Suchitra Bajpai Chaudhary, Friday magazine
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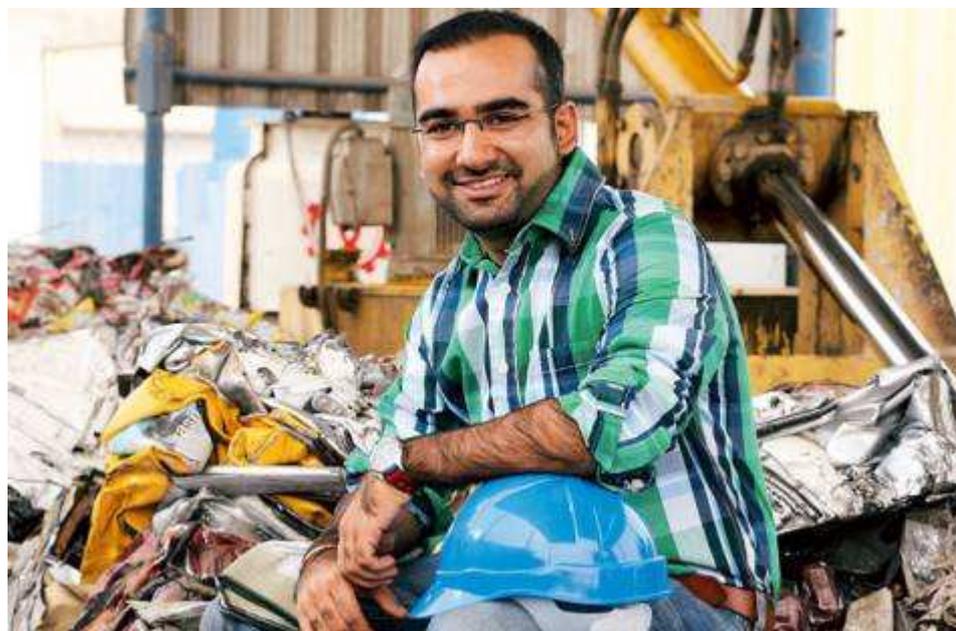


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Mayank Maheshwari believes that scrap metal is one of the UAE's most important commodity exports.

Getting his hands dirty rummaging through steel scrap is something Mayank Maheshwari enjoys doing every

single day. In fact, he feels most at home when he's in the midst of a steel dump yard in Sharjah.

A graduate of the prestigious New York University Stern School of Business, Mayank, 26, ditched his career on Wall Street to join his father's business, Spencer Metals Company Ltd.

Now he can be found in one of the company's two sheds where 47 workers clean construction debris, metal cans and other metal scrap that comes from household waste. They cut, resize and reclaim the metal before it is then compressed, packaged and sent to steel mills around the world to be used in manufacturing new steel.

In simple terms, the business he deals in is waste. But he is proud to be working in the scrap metal recycling business because not only is he preventing a lot of rubbish from accumulating in landfills and polluting the earth, he is happy converting waste metal into something useful - and business is booming.

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"Around 3,000 metric tonnes of waste metal per month is sent from the UAE to countries such as India, Oman and Pakistan where demand for waste steel scrap is high. Our new business plan is to take this figure to 20,000 metric tonnes per month and help transform

more waste into valuable resources. We recently began sending small quantities to UAE-based steel manufacturers as well.

"In fact, one of our customers uses the new steel produced from the scrap in the making of bridges, hospitals and factories in northern India," he says.

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Beginning his career at Wall Street investment bank JP Morgan, Mayank moved to a prominent management consultancy firm, Boston Consulting Group in the UAE before leaving it two years ago to join Spencer Metals as a director. "I felt I had a part to play in restoring environmental balance by applying waste recycling ideas here in the UAE," he says.

Strong growth

The British Metal Recycling Association (BMRA) estimates that close to 400 million tonnes of metal are recycled worldwide each year. This includes steel, aluminium and copper. "Although no official estimates exist for steel recycling alone, I estimate that 60-65 per cent of metals recycled are iron and steel," he says.

There is no difference in quality between steel manufactured from scrap versus iron ore. In fact, steel plants that use scrap metals tend to be more economical to set up and run. "Metals constitute one of the largest portions of landfill waste globally. However, they also have the highest value when recycled," Mayank says.

"While at the Boston Consulting Group, I had the opportunity to deal with regional governments in the Middle East and I was advising them on financial strategies, management functions and other growth options. I realised that governments were very keen on

attracting green capital but we needed a private level interest in recycling and sustainable growth for the region," he says. "So, I decided the area where I could make the most difference was in recycling.

"Everyone I meet here is shocked to learn that I have moved from a white-collar job to what is still considered a dirty and unorganised sector in the region. Many times I am chided by family members for making a career blunder.

"But while at Stern, we did a lot of case studies on sustainability and while on Wall Street I saw the interest banks took in investing in clean technologies," he says.

"While working at the Boston Consulting Group I really felt that if we wanted to change the recycling sector in the UAE, we could only do so by getting our hands dirty. And there is tremendous scope for more educated and enterprising people to enter this space.

"Steel scrap and recycling is one of the oldest recycling industries, and scrap metal is one of the UAE's most important commodity exports. Some of the largest containers being shipped out of Jebel Ali Port are full of scrap waste. But we need to get this sector more organised," says Mayank, who used to collect cans from his friends at school by offering them 25 fils a can. He'd then hand them to his father for recycling in return for a few dirhams.

First things first

Keen to organise the UAE's recycling sector, he made a formal presentation to government organisations giving them a plan to introduce change in waste management systems that were on par with the international community.

He began dealing with organisations such as Bee'ah,

Sharjah's environmental waste management company, and Al Rostamani Group's demolition and recycling enterprise that deals in construction debris.

"The scrap food chain has been one of the most complex and unorganised sectors in the industry where scrap often passes through the hands of many middlemen before it reaches a recycling facility," Mayank says.

The first thing he did was to deal directly with organisations and companies who had sourced the metal themselves. By doing away with the middleman he was able to create more value for both sides.

"We are professionals and ensure complete transparency and professionalism. I have changed the nature of my work from trading to processing and employ trained workers from the steel industry who conduct the processing under safe and sound conditions using proper gear," elaborates Mayank.

Using his knowledge of recycling and business planning, Mayank drafted a formal presentation and met with Sharjah's Economic Development Department and Sharjah Municipality authorities to share his vision on how recycling could be made a more integral part of Sharjah's long-term economic growth.

The game changer

Mayank's plan is to introduce greater automation in recycling technologies, increase transparency with government agencies and encourage more involvement by local communities in recycling. He says that the forward-thinking government of the UAE has already started to push for environmental change and awareness but that local entrepreneurs like him will play a key role in helping the government.

The next big step for him is for a plan that he has already presented to the government. He hopes to automate the recycling process, reduce manual labour and make it more technologically intense in order to save time. He is also looking into processing other waste by-products such as wood, paper, glass and other biodegradable waste in the UAE.

"These initiatives will hopefully be in tandem with the government's Vision 2030 where 100 per cent of the waste going to landfills will become recyclable," says Mayank.

Steel manufacturers today realise the importance of integrating steel scrap into their production processes to lower costs and improve sustainability.

"Steel scrap is a highly recycled commodity around the world, everywhere from America to Zimbabwe. The only difference is in how professional and regulated recycling tends to be from country to country," Mayank says. "Countries like the US, Germany and Japan are highly sophisticated recyclers compared to those in the developing world."

"Thanks to companies like ours as well as to local municipalities, less than one per cent of scrap metal is sent to landfills in the UAE."