

Short Range Outlook Contribution to GFSEC

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Antitrust

As worldsteel meetings are also meetings of competitors, antitrust and competition law concerns are paramount and certain areas of discussions must be totally avoided:

- No discussions on current or future pricing, pricing terms or any component of price
- No discussions on current or future production output or current or future capacity or capacity utilisation involving non-public information, or desired capacity or production output or capacity utilisation levels, or coordinated capacity, capacity utilisation or production output increases or decreases
- No discussions on allocating geographical or product markets or customers or classes of customers
- No discussions on concerted actions involving costs (including concerted actions against suppliers)
- No discussions on future raw material prices, price terms or negotiating strategies
- No discussions regarding how to respond to price increases or other charges from suppliers or whether or how to pass on any costs to customers
- No discussion on contemplated trade actions or complaints about trade flows
- No discussion on non-public company-specific forward looking commercial strategies or plans

Visit [worldsteel.org\About us](https://worldsteel.org/About-us) for detailed antitrust guidelines.

A low-angle, upward-looking photograph of a complex, interconnected steel truss structure, likely the interior of a large dome or a modern architectural ceiling. The steel beams and joints create a dense, geometric pattern of triangles and polygons, receding into the distance towards a bright, circular opening at the top. The lighting is bright and even, highlighting the metallic texture and structural complexity.

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- SRO April 2021

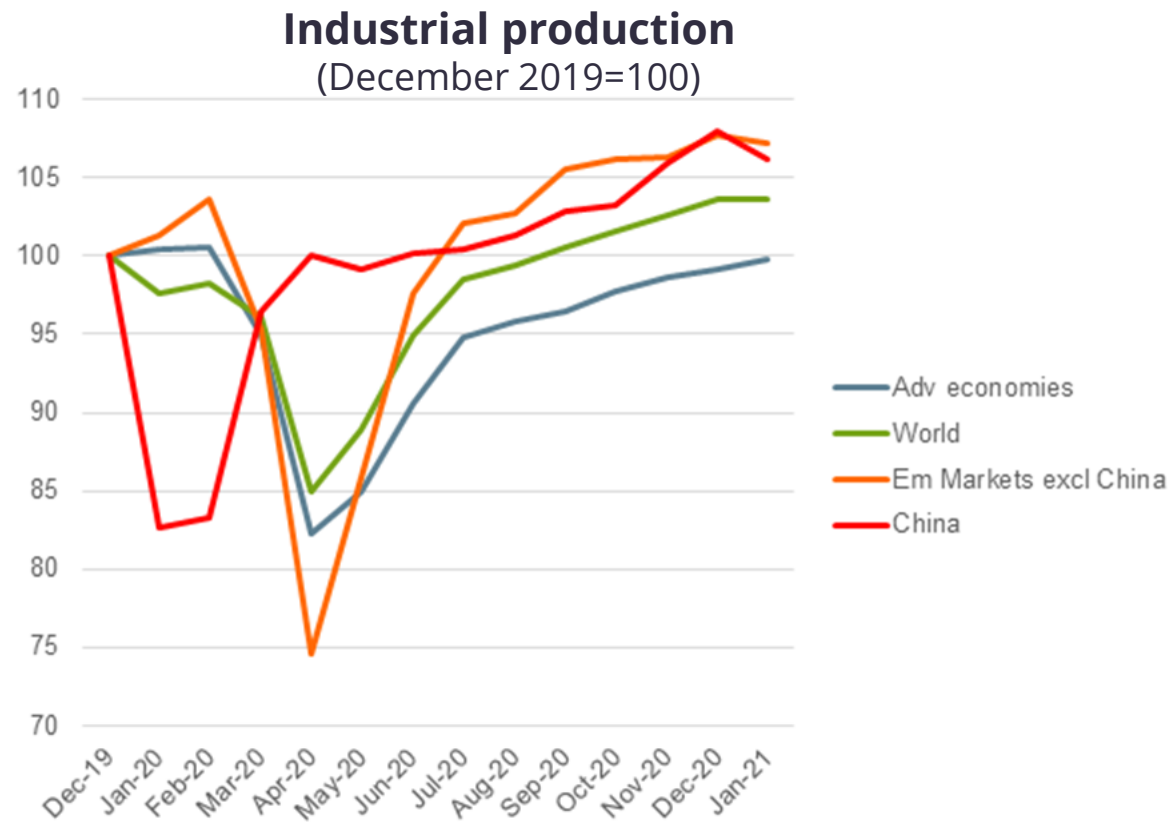
Background to the outlook



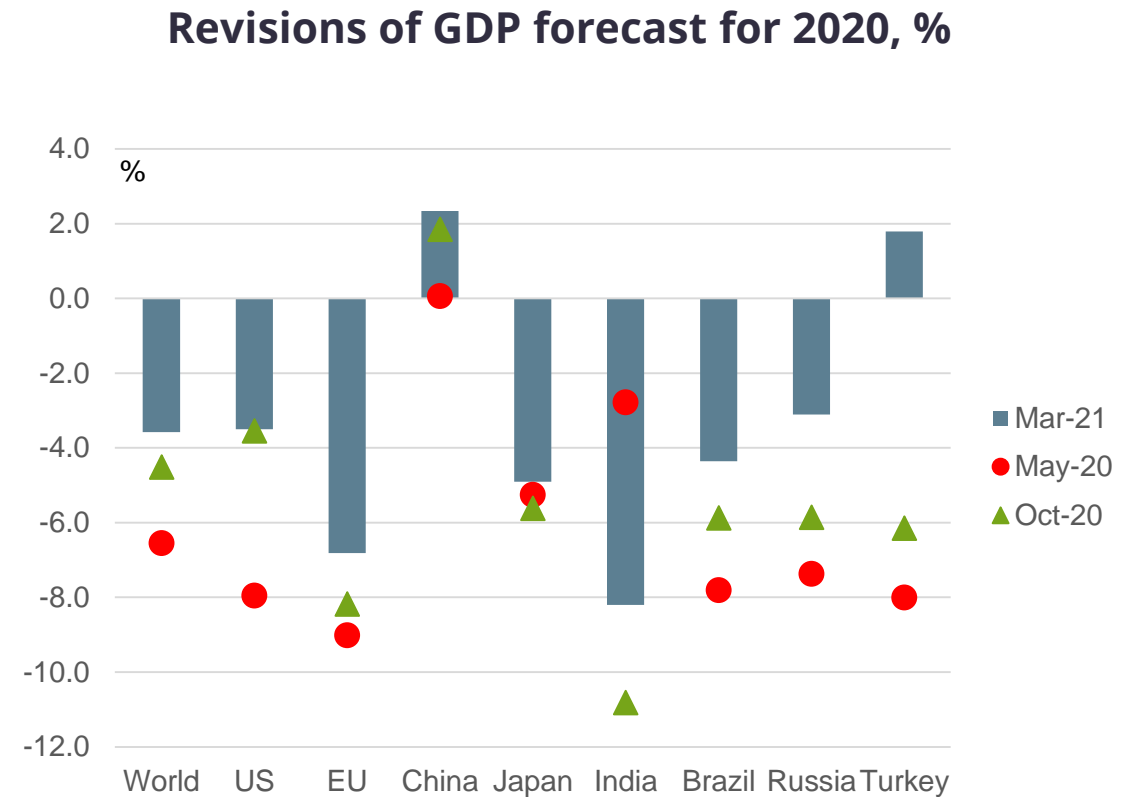
Post lockdown recovery

Post lockdown recovery was stronger than expected globally, especially in China

Recovery momentum is sustained, despite tightening of COVID restrictions in Q1 2021



Source: IHSMarkit



Source: IHSMarkit

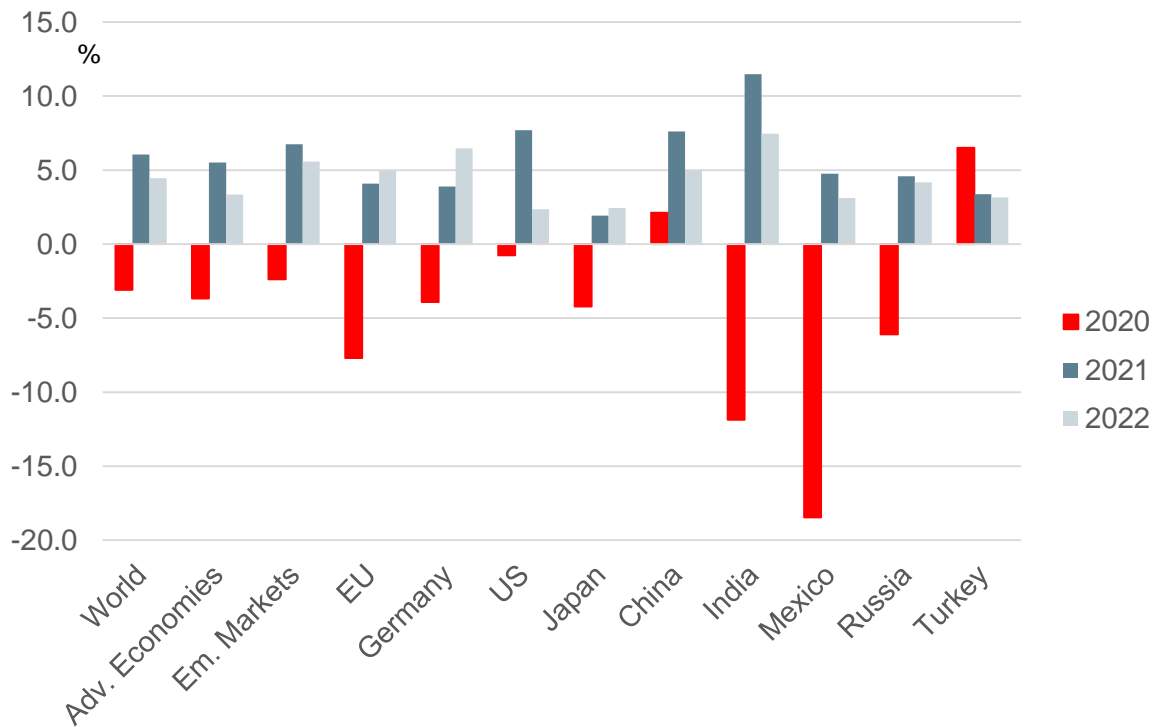
Investment

Low interest rates and infrastructure projects to support robust investment recovery in 2021-22

Strong recovery of investment seen in China, US, India for 2021

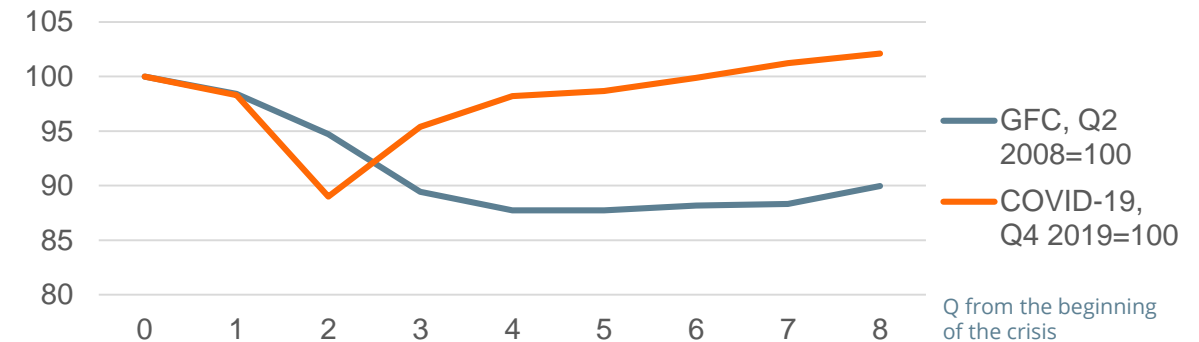
High uncertainty continues to affect investment

Global investment outlook, %

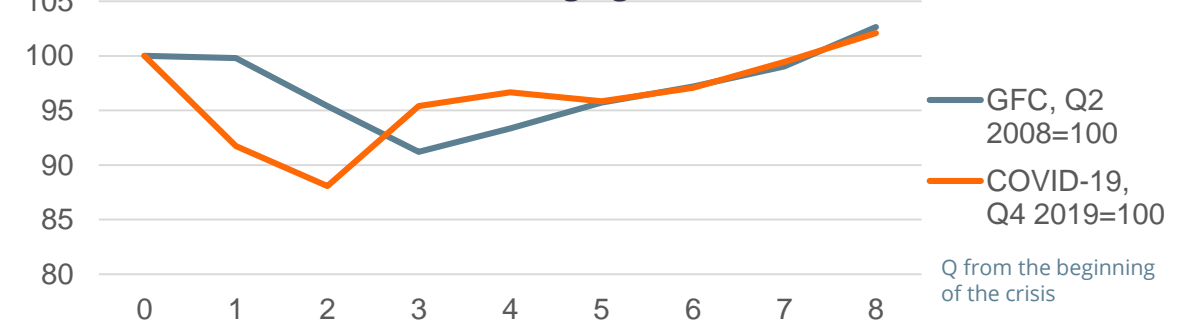


Source: IHSMarkit

Fixed investment: advanced economies

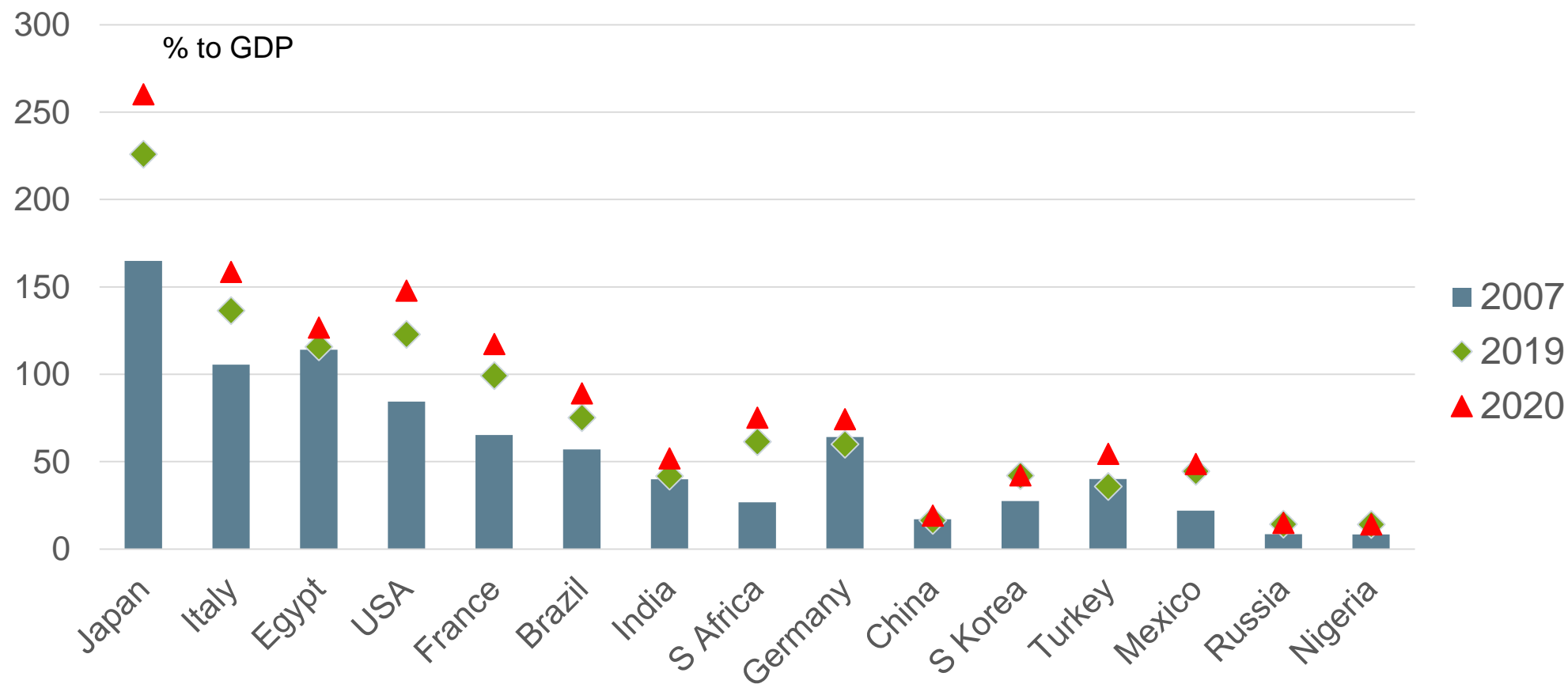


Fixed investment: emerging economies excl China



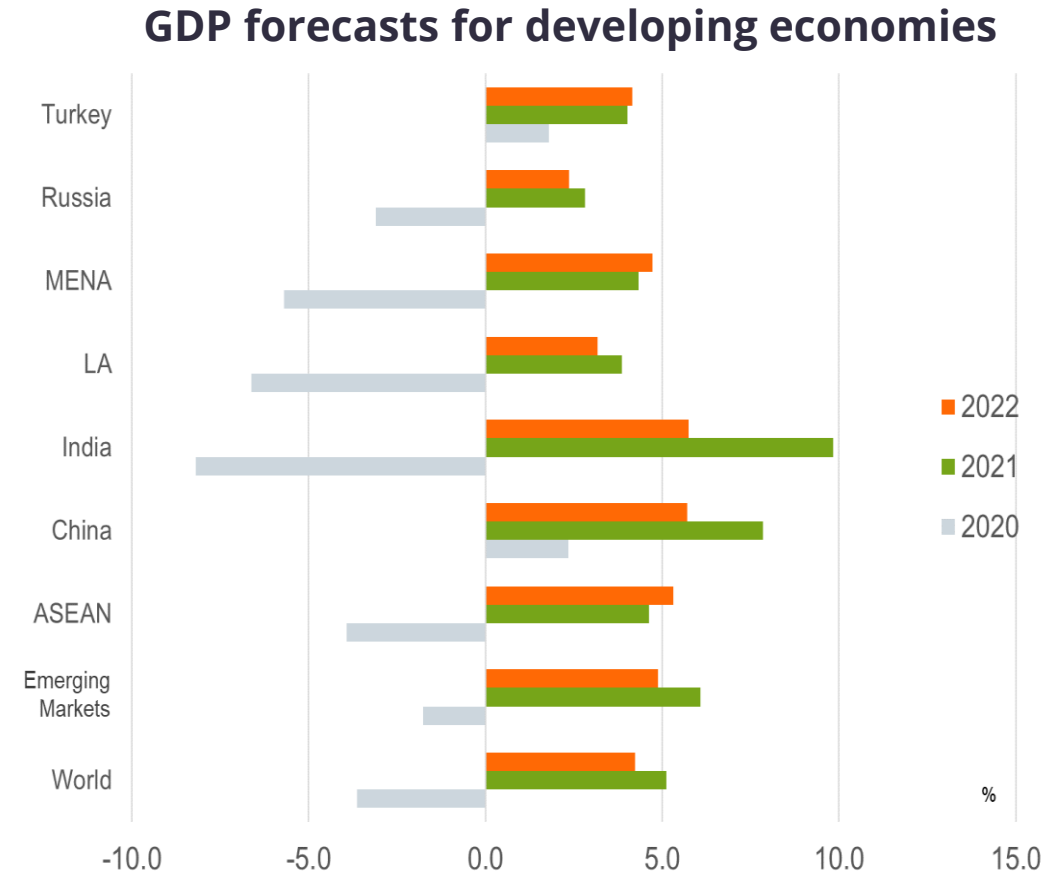
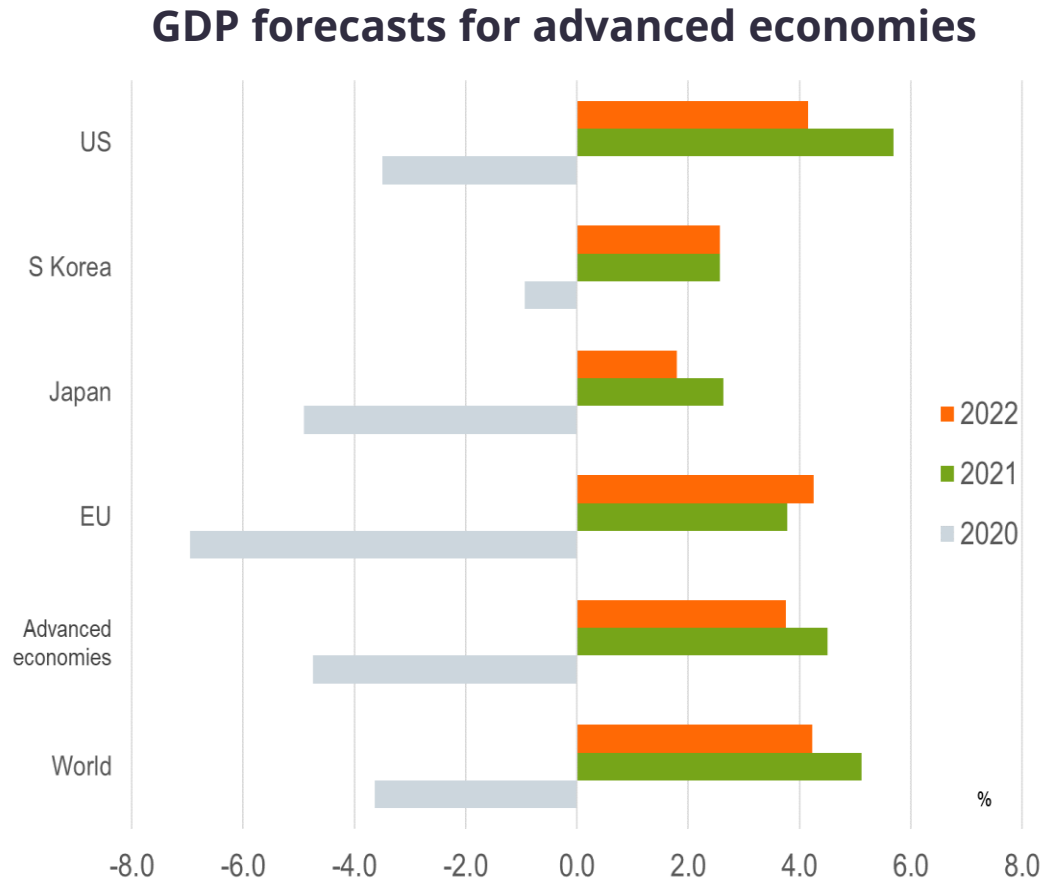
Public debt

Public debt to GDP ratio in selected years



Source: IHSMarkit

Global economic outlook 2021-22



Source: IHSMarkit

In EU, Turkey, MENA and ASEAN the recovery will accelerate in 2022.

Uncertainties and risks

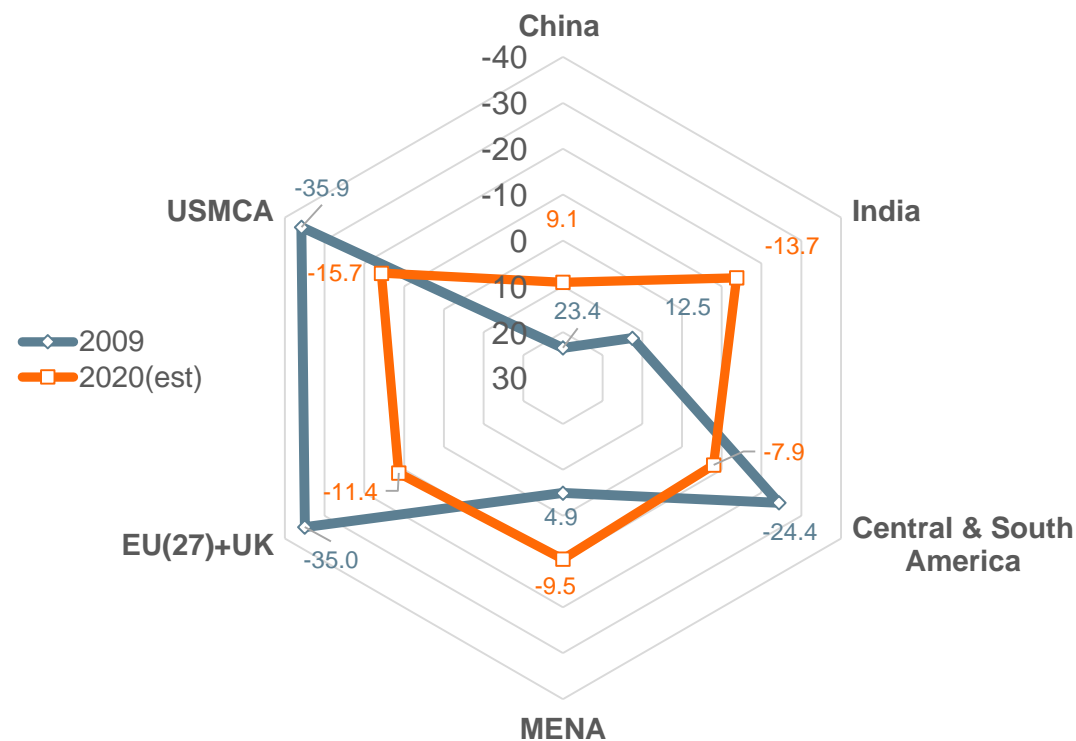
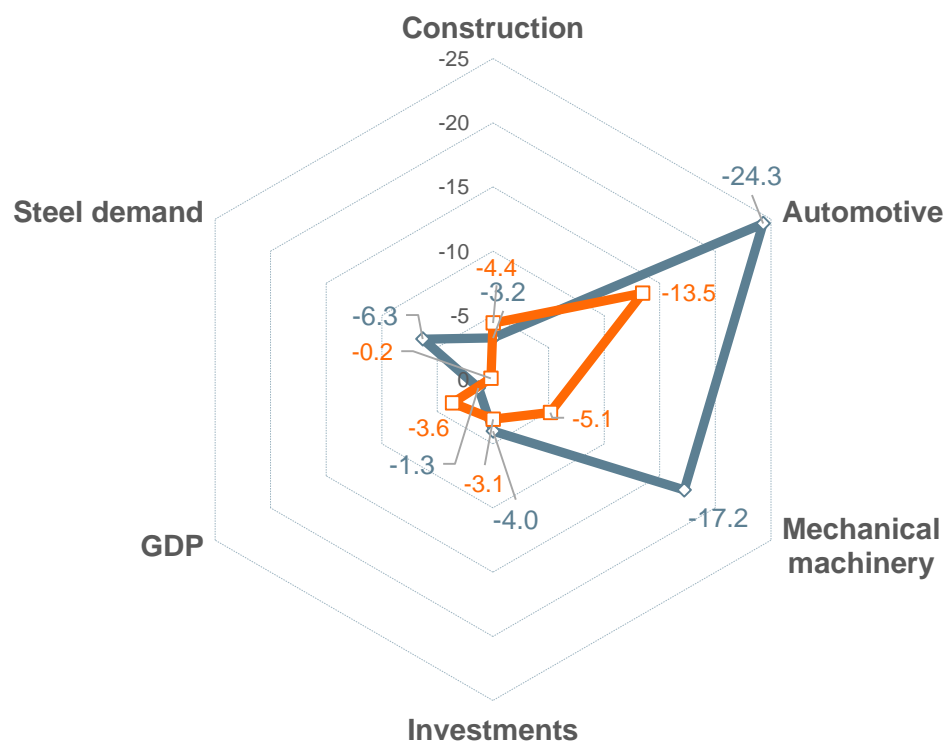
Short term

- Evolution of the pandemic and delays in vaccination
- Recovery beyond the pent-up demand
- Reversal of fiscal and monetary policy stances

Longer term

- The pandemic's impact on education, health, productivity
- Rising inflationary pressure and tax burden
- Larger than expected economic damages from the pandemic
- Social behavioral changes, changes in industrial structure
- Climate change responses

GFC vs COVID-19 impact compared



Source: IHSMarkit, worldsteel



SRO April 2021

Global overview

Steel demand, finished steel (SRO April 2021)

2020	2021 (forecasts)	2022 (forecasts)
Mt	Mt	Mt
1 771.8	1 874.0	1 924.6
-0.2%	5.8%	2.7%

Mt = Million tonnes

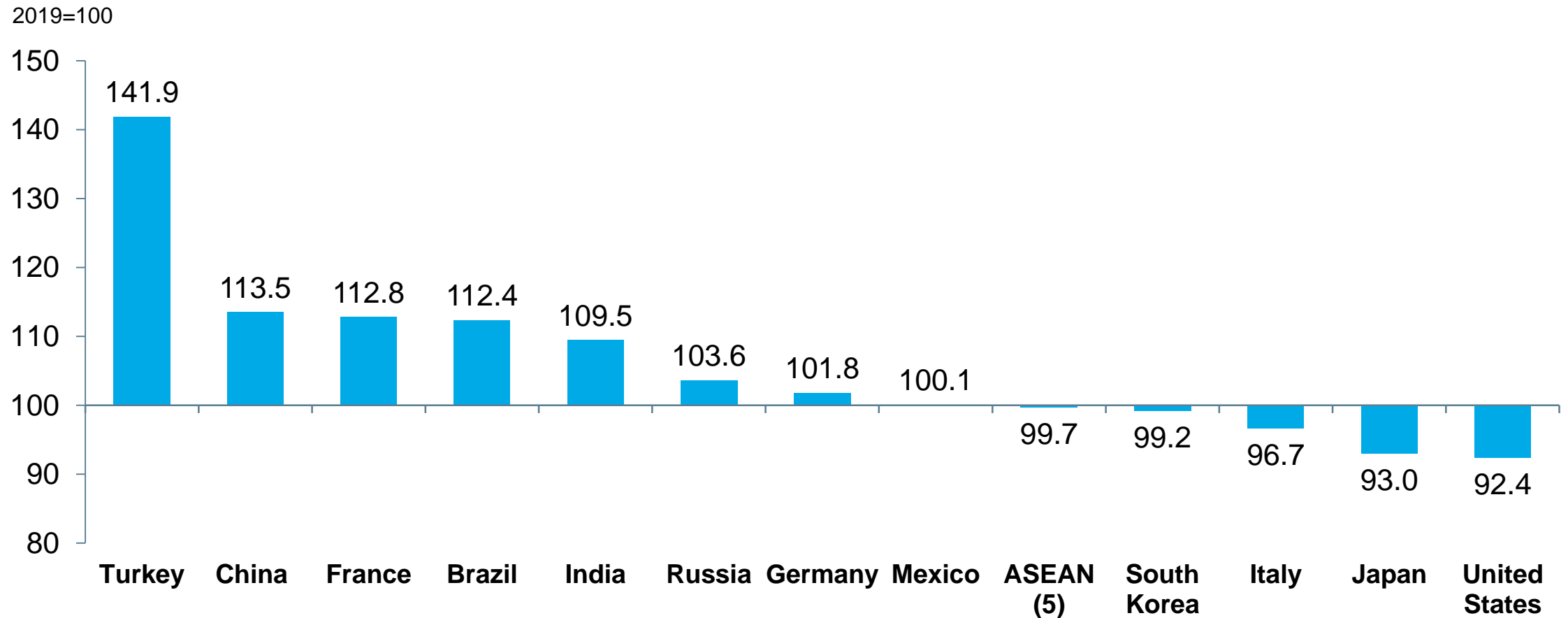
Regional overview

Steel demand, finished steel (SRO April 2021)

	Mt			%			2022 as % of 2007
	2020	2021	2022	20/19	21/20	22/21	
World	1 771.8	1 874.0	1 924.6	-0.2	5.8	2.7	158.9
European Union (28)	140.6	154.9	162.4	-11.4	10.2	4.8	80.0
Other Europe	36.0	42.3	44.7	9.4	17.4	5.5	153.8
CIS	58.2	60.2	62.1	-0.1	3.4	3.2	110.3
USMCA	114.0	122.6	128.3	-15.7	7.6	4.6	91.0
Central & South America	38.6	42.7	44.5	-7.9	10.6	4.2	107.9
Africa	35.6	38.6	40.9	-9.4	8.3	5.9	196.8
Middle East	46.0	48.5	50.1	-8.6	5.4	3.3	114.8
Asia & Oceania	1 302.8	1 364.2	1 391.6	3.5	4.7	2.0	205.9
China	995.0	1 024.9	1 035.1	9.1	3.0	1.0	247.4
Developing Asia excl. China	177.9	202.5	215.0	-11.7	13.9	6.1	240.6
Developed Asia	123.7	130.4	135.0	-10.6	5.4	3.5	84.4

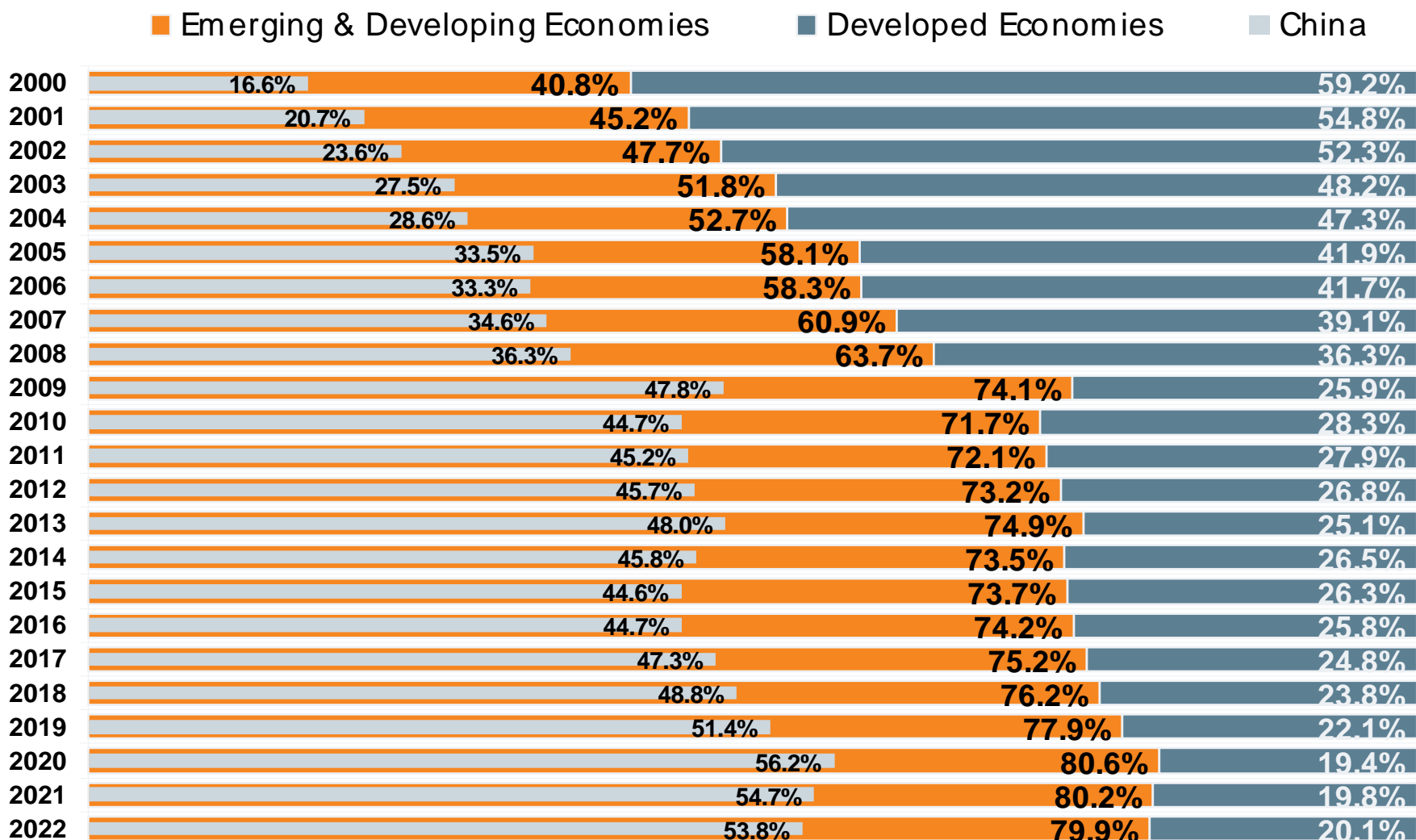
Steel use in 2022 as % of 2019

Steel demand, finished steel (SRO April 2021)



Evolution of regional shares in steel demand

Steel demand, finished steel (SRO April 2021)

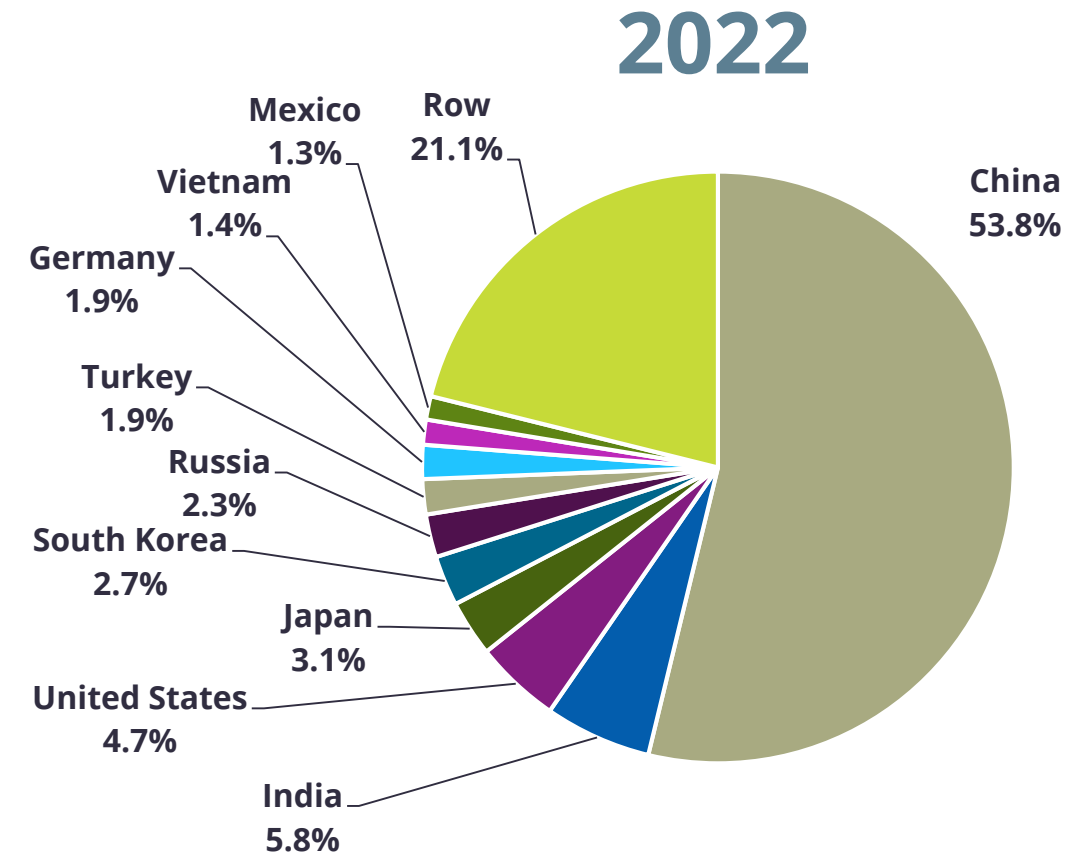


Top 10 countries in 2017 and 2022

Steel demand, finished steel (SRO April 2021)

Top 10 (2017)	
Country	Steel demand [Mt]
China	773.8
United States	97.7
India	88.7
Japan	64.4
South Korea	56.3
Russia	41.1
Germany	41.0
Turkey	36.1
Mexico	26.5
Italy	24.8

Top 10 (2022)	
Country	Steel demand [Mt]
China	1 035.1
India	112.3
United States	90.2
Japan	58.8
South Korea	52.8
Russia	45.1
Turkey	37.0
Germany	35.8
Vietnam	26.3
Mexico	24.6



Top 10 countries account for 78.9% of world steel demand in 2022

Conclusion

- The pandemic crisis has been benign to the steel industry compared to the GFC and some other sectors
- However, double-digit contraction of steel demand in many developed and developing economies
- Recovery will be healthy and supported by pent-up demand for manufacturing goods and infrastructure investment
- Risks still remain high, both upside and downside
- The pandemic will exert a lasting impact on the steel industry via structural changes in steel using sectors, hastened transition toward a low carbon society



