



Recent Market Developments in the Japanese Steel Industry

The Japan Iron and Steel Federation (JISF)

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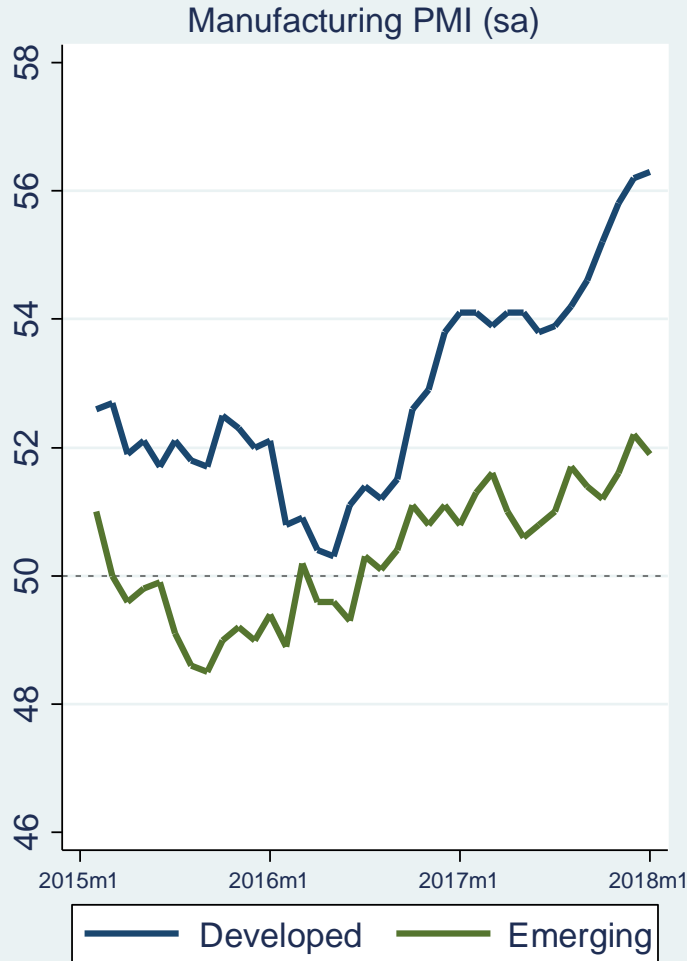
Outline

- Manufacturing market sentiment
- Steel demand
- Role of steel-using sectors
- Steel supply
- Steel trade
- Outlook



Japan's manufacturing market sentiment has been stronger in line with the global upward trend

Manufacturing market sentiment

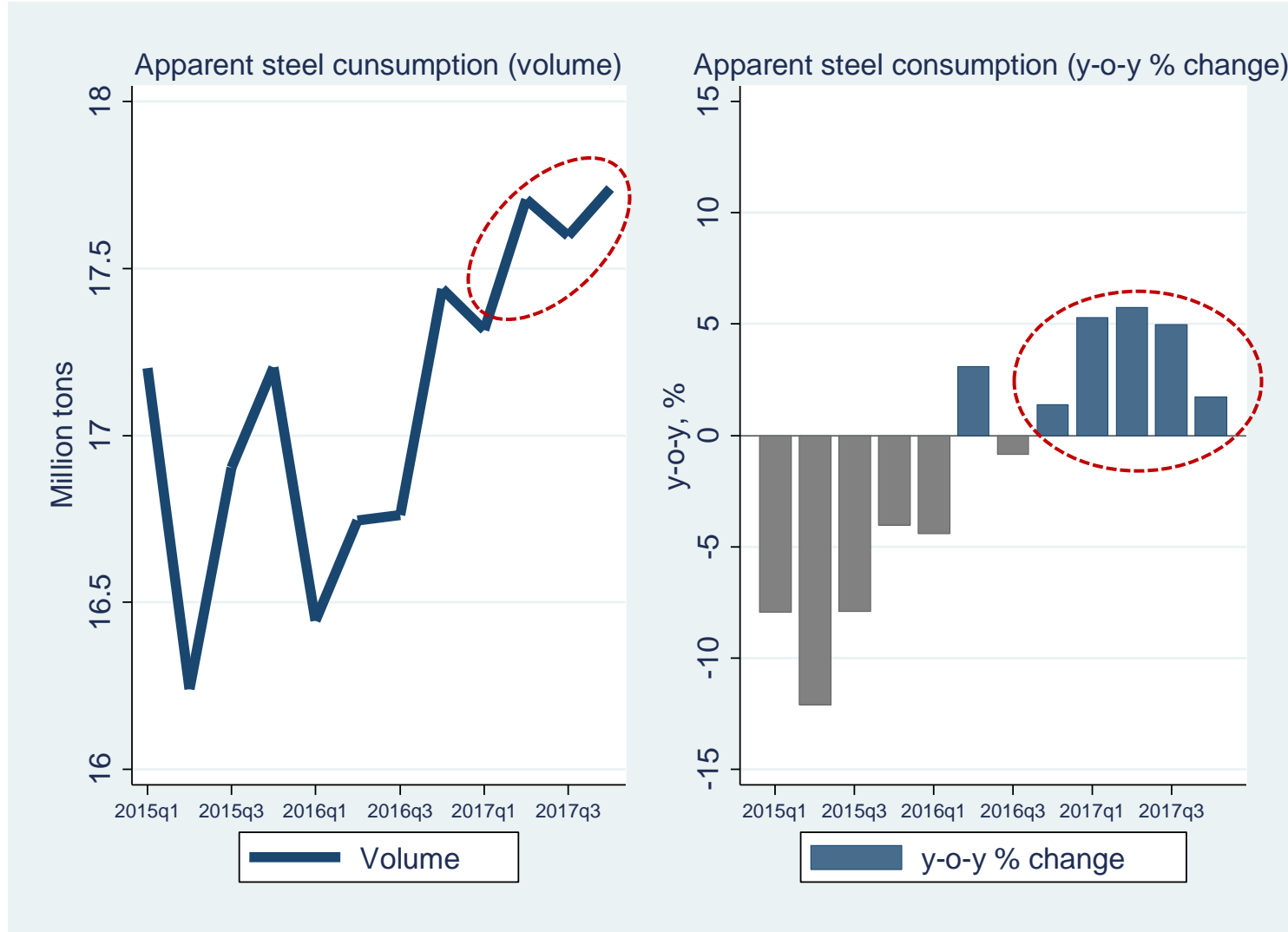


Source: Markit Economics.



Japan's apparent crude steel consumption has been recovering, supported by robust domestic demand

Steel demand



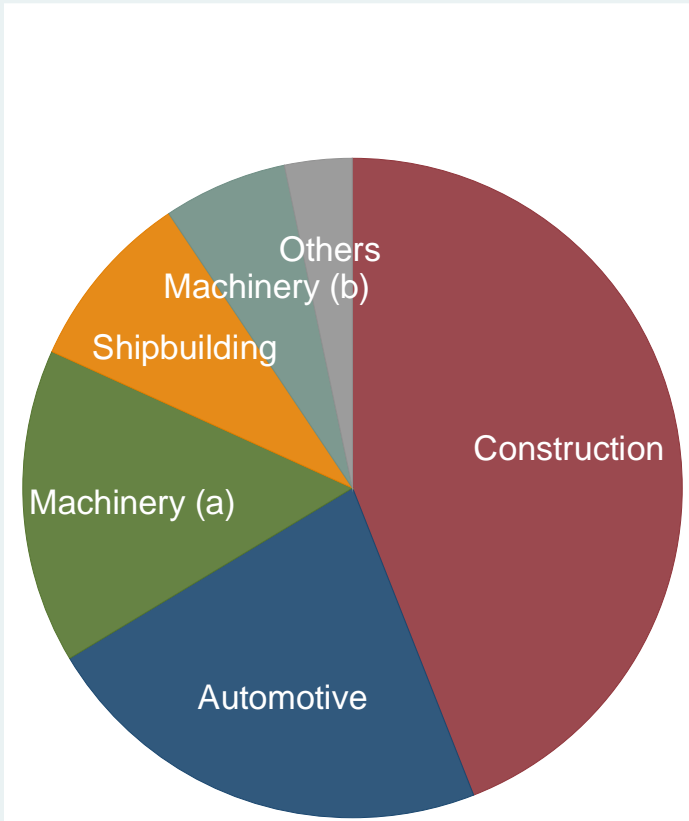
Source: JISF.



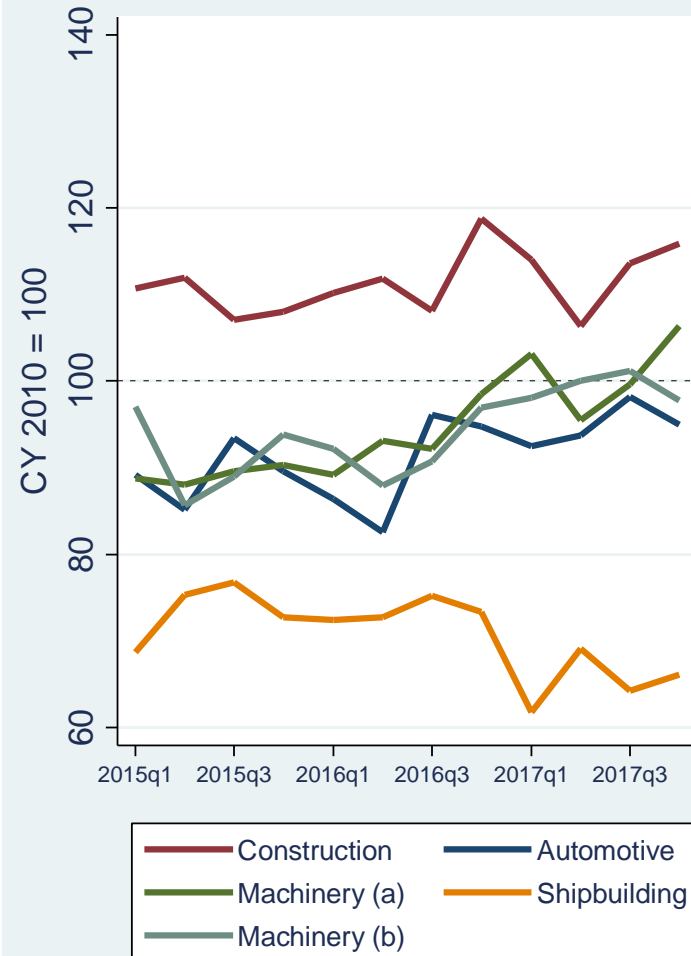
Construction and some manufacturing sectors have been the major drivers of Japan's steel demand

Role of steel-using sectors

Share of steel consumption by sector (FY 16)



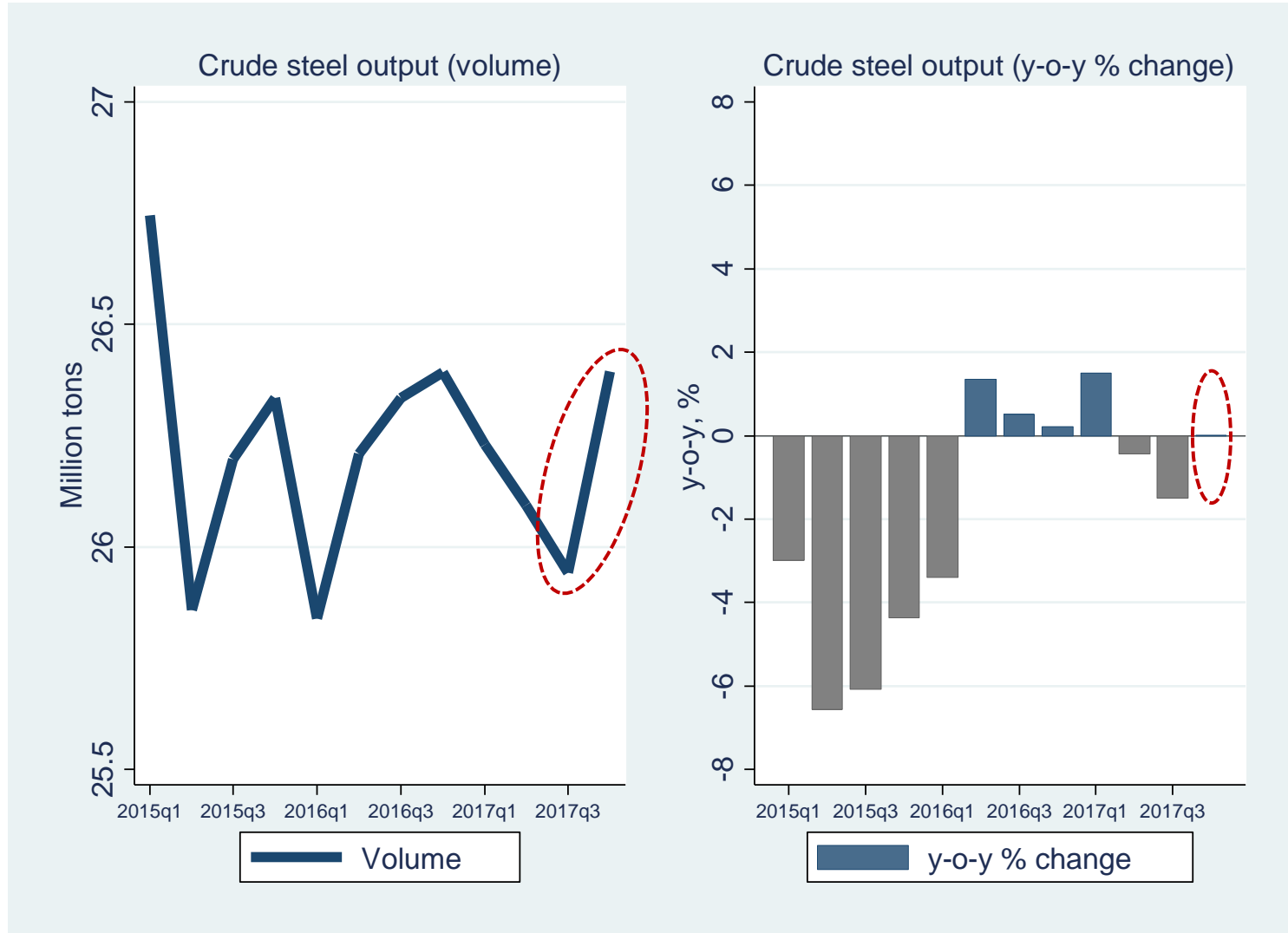
Indices of ordinary steel orders made by sector



Notes: Data are on an ordinary steel basis. Machinery (a) denotes industrial machinery. Machinery (b) denotes electrical machinery. Source: JISF.



Japan's crude steel output has been recovering gradually

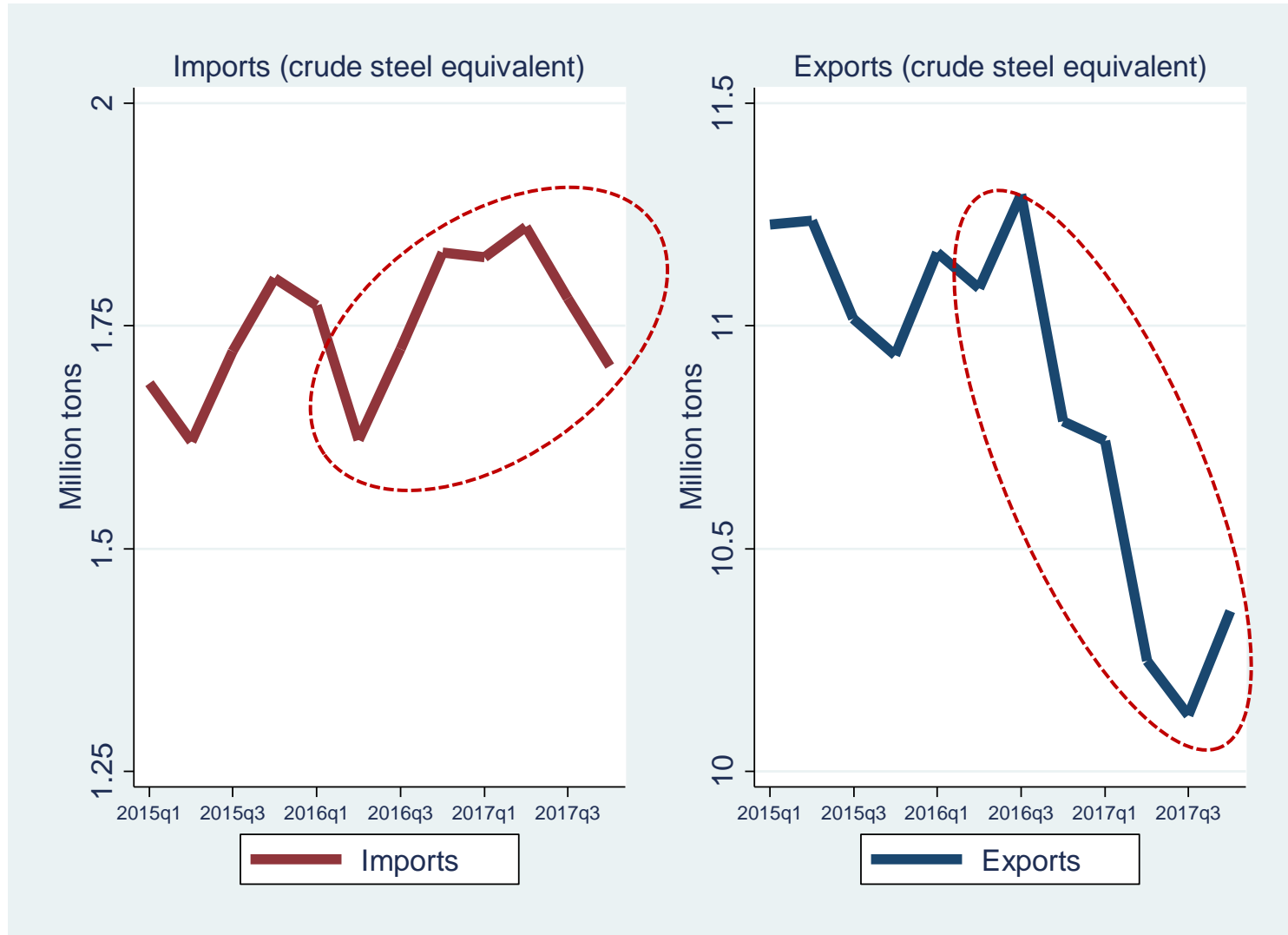


Source: JISF.



Japan's steel imports have grown faster than its steel exports

Steel trade



Source: JISF.



Projects associated with the Tokyo 2020 Olympic and Paralympic Games should have a positive effect on Japan's steel demand

Outlook

		FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
		Million tons			y-o-y growth rates, %		
Ordinary steel		49.0	49.5	49.6	1.2	1.0	0.2
	Construction	21.6	21.6	21.7	2.0	0.2	0.5
	Manufacturing	27.4	27.9	27.9	0.5	1.7	0.0
Special steel		12.7	13.1	13.2	1.8	3.6	0.2

Source: JISF.



Thank you for your attention