

Korean Steel Market in 2017

Mar 5~6, 2018
84th Session of the Steel Committee

Korea Iron and Steel Association

GDP

- ◆ ('17) Recorded growth rate of 3.1% due to upturn in equipment investment and exports led by global economic recovery.

Private Consumption

- ◆ ('17) Marked 2.5% growth rate owing to increase of wage income and consumer confidence.

Equipment Investment

- ◆ ('17) Investment in IT sector such as semi-conductor and display panel led the strong growth of 14.3%.

Construction Investment

- ◆ ('17) Despite government's SOC budget reduction(-6.6%), construction investment marked 7.2% growth due to active residential construction and private plant construction.

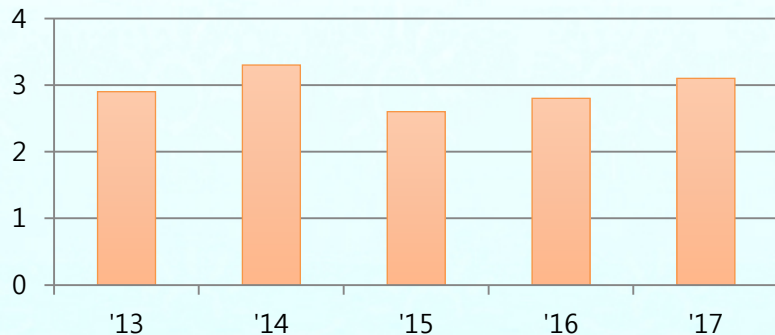
Exports

- ◆ ('17) Increased by 3.6% due to global economic recovery and increased demand of semi-conductors and etc.

Economic Indicators in Korea

(Y-O-Y %)

■ GDP Growth Rate



* Source : Bank of Korea

(Y-O-Y %)

	2014	2015	2016	2017
GDP	3.3	2.6	2.8	3.1
Private Consumption	1.8	2.2	2.5	2.5
Equipment Investment	5.8	5.3	-2.3	14.3
Construction Investment	1.0	3.9	10.7	7.2
Exports	2.3	0.5	2.2	3.6
Imports	1.2	2.0	3.6	7.3

* Source : Bank of Korea

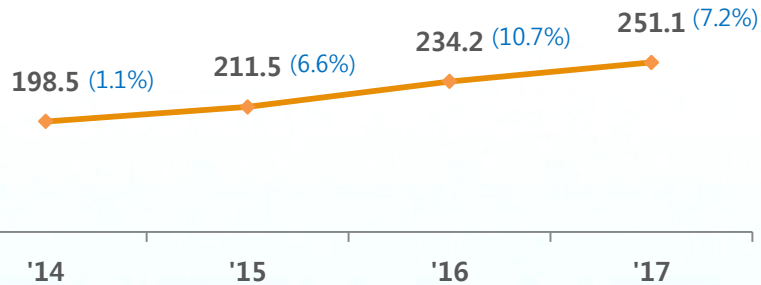


Steel-using Industries

Construction

◆ ('17) Construction Investment increased by 7.2%

(Unit: trillion ₩)

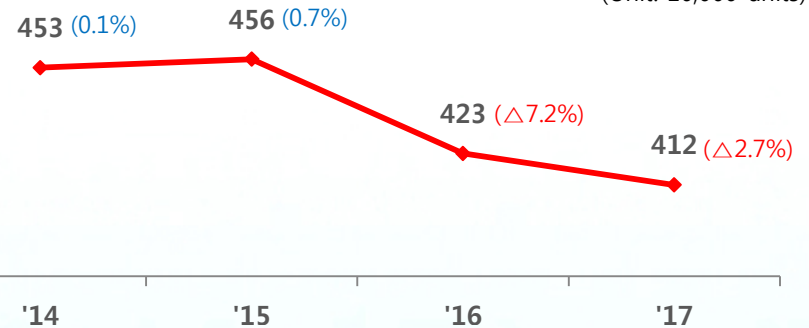


(Source : Construction Association of Korea)

Automobile

◆ ('17) Auto production decreased by 2.7%

(Unit: 10,000 units)

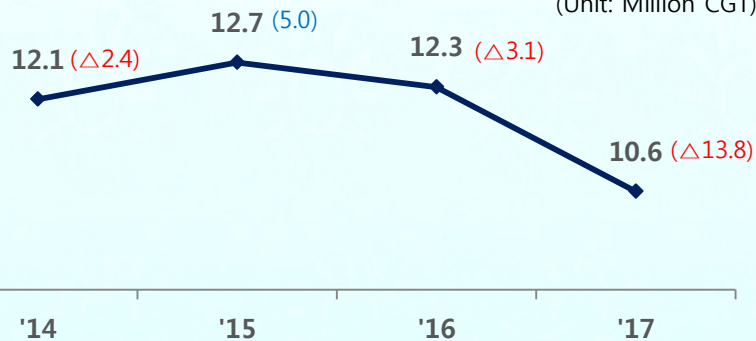


(Source : Korea Automobile Association)

Shipbuilding

◆ ('17) Ship delivery decreased by 13.8%

(Unit: Million CGT)

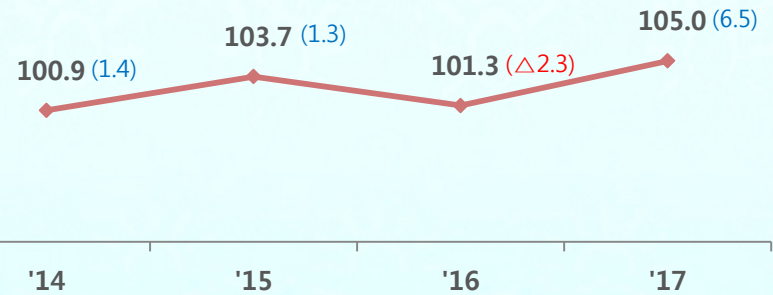


(Source : Clarkson)

Machinery

◆ ('17) Machinery production increased by 6.5%

(Unit: trillion KRW)



(Source : Korea Association of Machinery Industry)



Steel Consumption

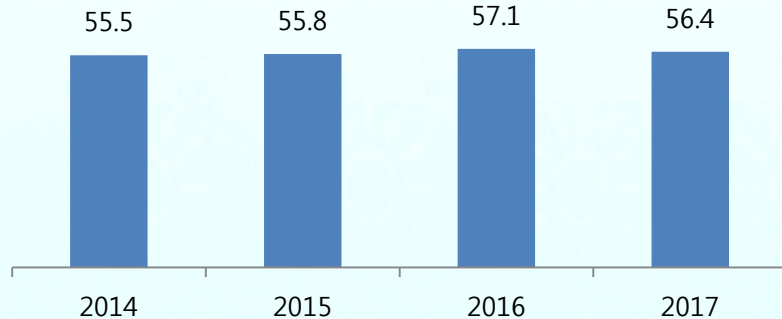
- ◆ Showed modest growth in past 3 years but decreased by 1.2% due to slump in the shipbuilding industry.

Steel Production

- ◆ Steel production has been stabilized at about 74 million tons in previous three years but increased by 3.8% in 2017.

Consumption

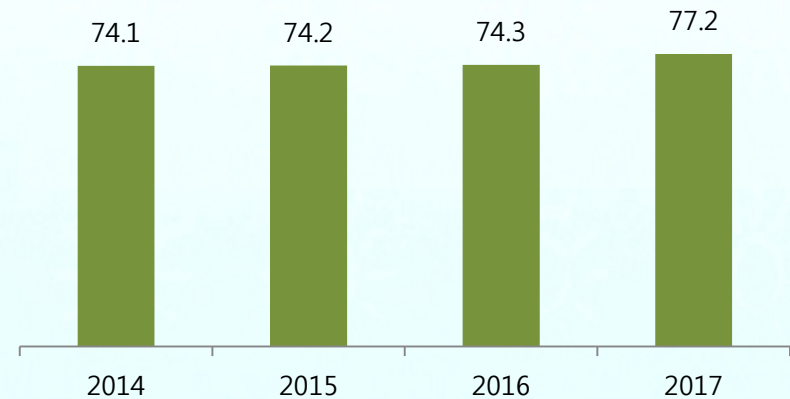
(million MT)



* Source : Korea Iron & Steel Association

Production

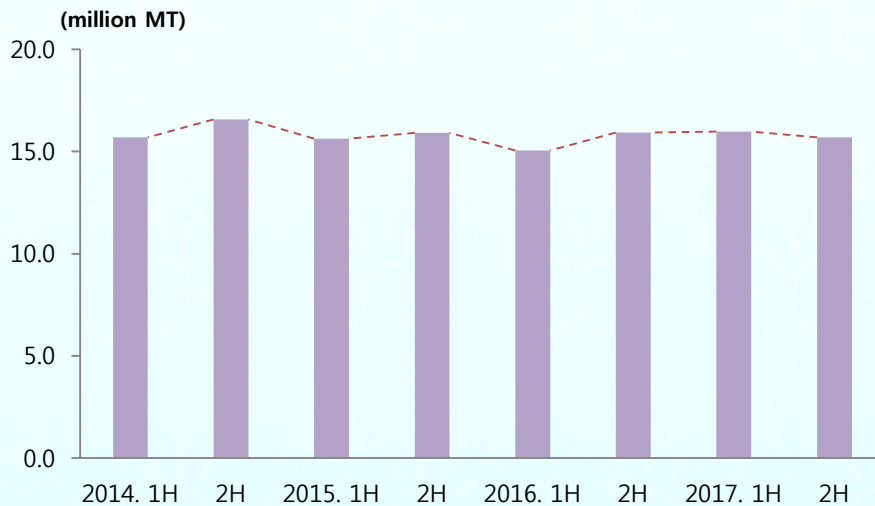
(million MT)



* Source : Korea Iron & Steel Association

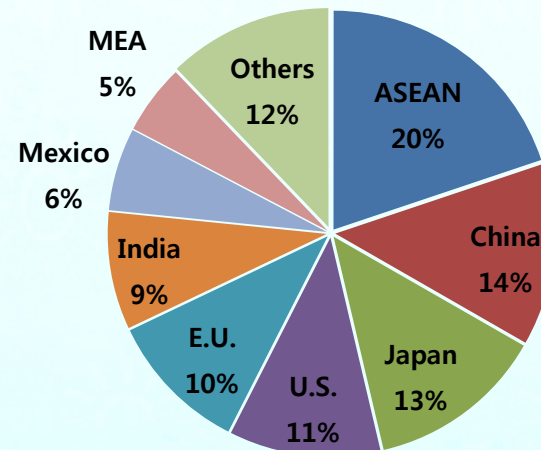
Steel Exports

- ◆ ('16) Decreased by 1.8% due to slowdown of global steel demand and strong trade protectionism.
- ◆ ('17) Despite decrease of exports to major markets, exports showed a similar trend to the recent years due to increase in input exports to the foreign investments by Korean steelmakers.
 - Exports to China(-7.7%) and U.S.(-5.3%) decreased while exports to emerging markets like India(13.1%↑), Mexico(18.5% ↑), MEA(13.5% ↑) increased.
 - Korea has geographically balanced and diversified portfolio for steel exports.



* Source : Korea Iron & Steel Association

Korea's Steel Exports by Country in 2017

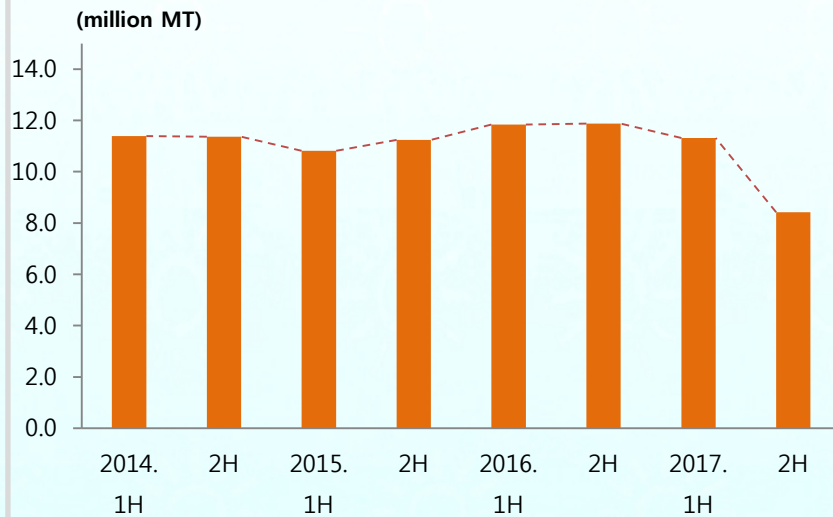


* Source : Korea Iron & Steel Association



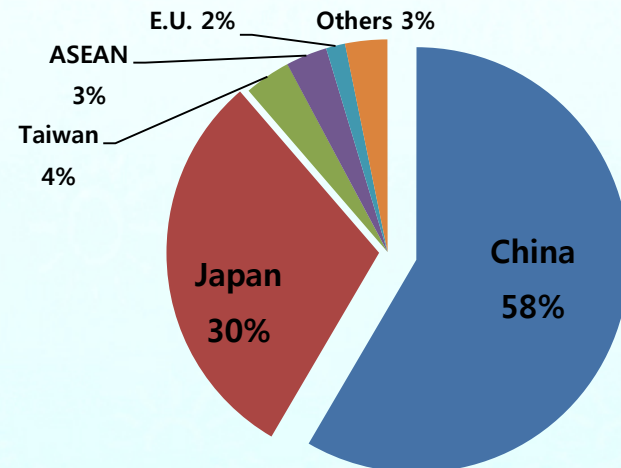
Steel Imports

- ◆ ('16) Surged by 7.5% due to maintenance work caused by unexpected troubles of blast furnace.
- ◆ ('17) Decreased by 16.8% due to slump in shipbuilding industry and domestic effort to reduce imports.
 - Import of plates plunged by 54.1%.
 - China and Japan, which account for 88% of the total imports, decreased by 21.1% and 15.0% respectively, compared to previous year.



* Source : Korea Iron & Steel Association

Korea's Steel Imports by Country in 2017



* Source : Korea Iron & Steel Association

THANK YOU