



# Recent Market Developments in the Japanese Steel Industry

The Japan Iron and Steel Federation (JISF)

85th Session of the OECD Steel Committee, Paris 17-18 September 2018



# Outline

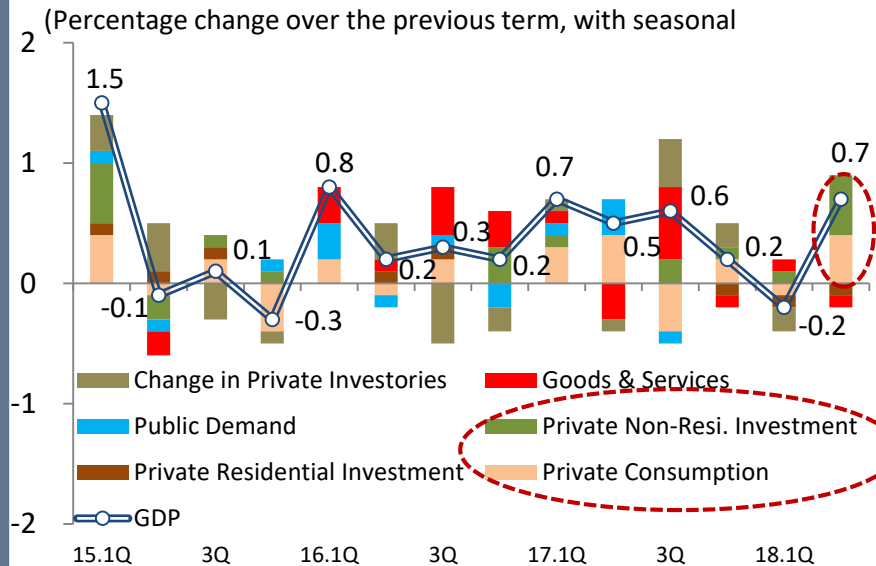
- **Key macroeconomic indicators**
- **Steel demand**
- **Steel Orders by Segment**
- **Steel supply**
- **Steel trade**
- **Outlook**



# Key macroeconomic indicators

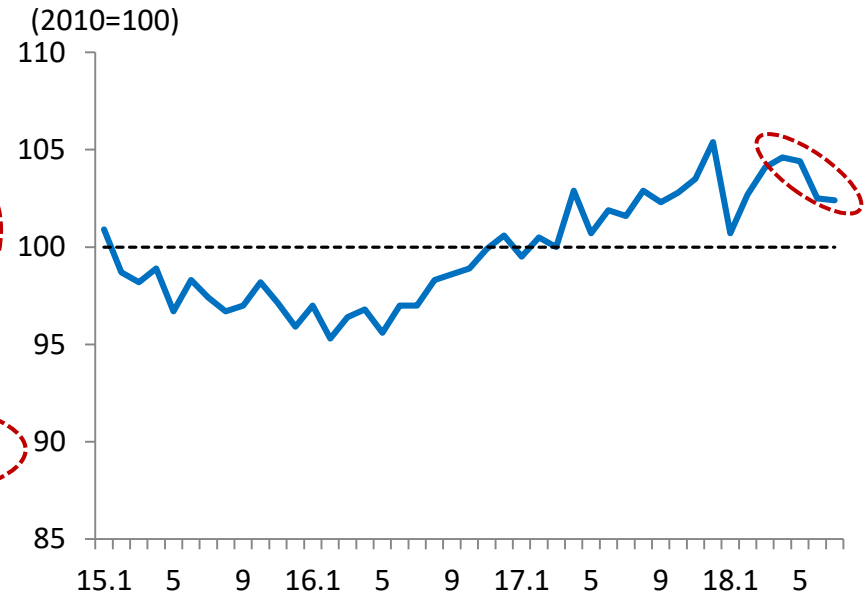
- GDP growth rate is back to positive territory due to strong private consumption and private non-residential investment in the second quarter of 2018.
- Industrial Production fell for a third straight month in July due to heavy rain.

## Real GDP Growth Rate



Source: Cabinet Office  
Note: Seasonal adjusted

## Indices of Industrial Production



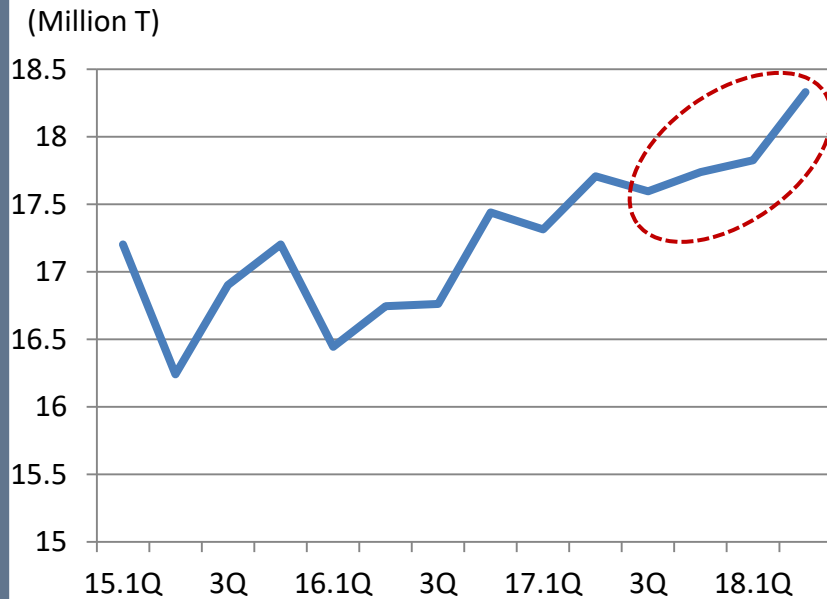
Source: METI  
Note: Seasonal adjusted



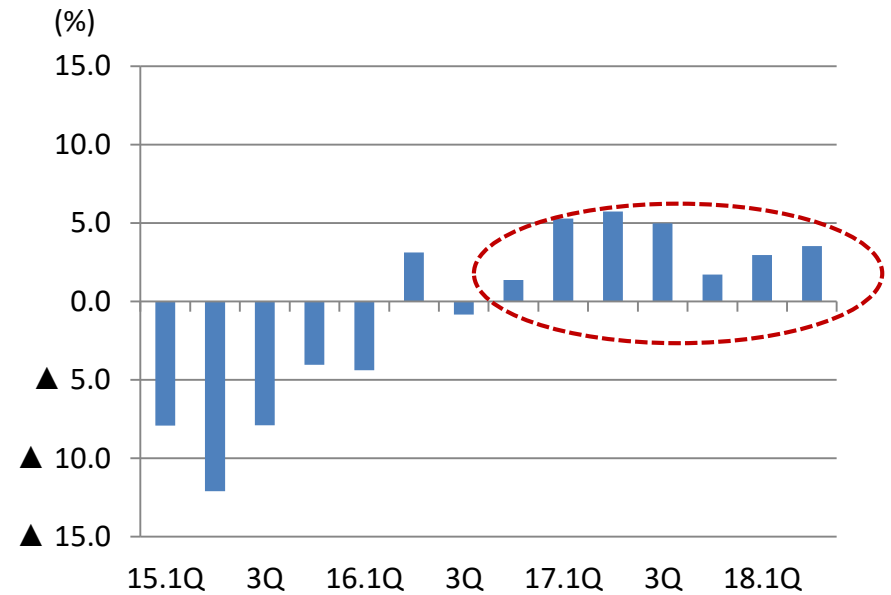
# Steel demand

- Apparent Steel Consumption has been recovering steadily due to firm domestic demand.

### Apparent Steel Consumption (Crude Steel Equivalent) (Volume)



### Apparent Steel Consumption (Crude Steel Equivalent) (y-o-y changes)



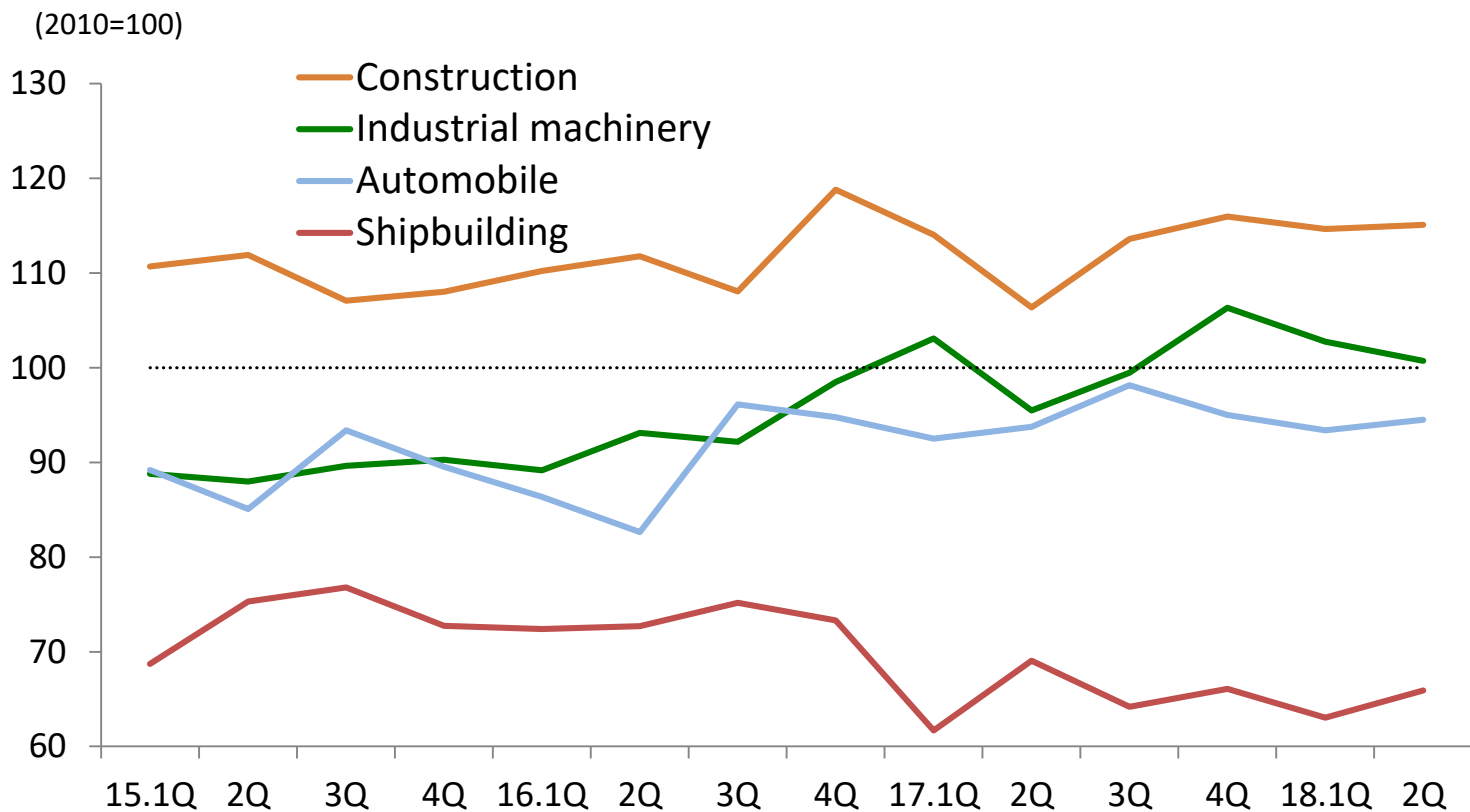
Source: JISF



# Steel Orders by Segment

- Steel orders from construction, industrial machinery and automobile sectors have been firm, while orders from shipbuilding sector remain stagnant.

### Indices of Ordinary Steel Orders by Segment



Notes: Data are on an ordinary steel basis (excluding specialty steel)

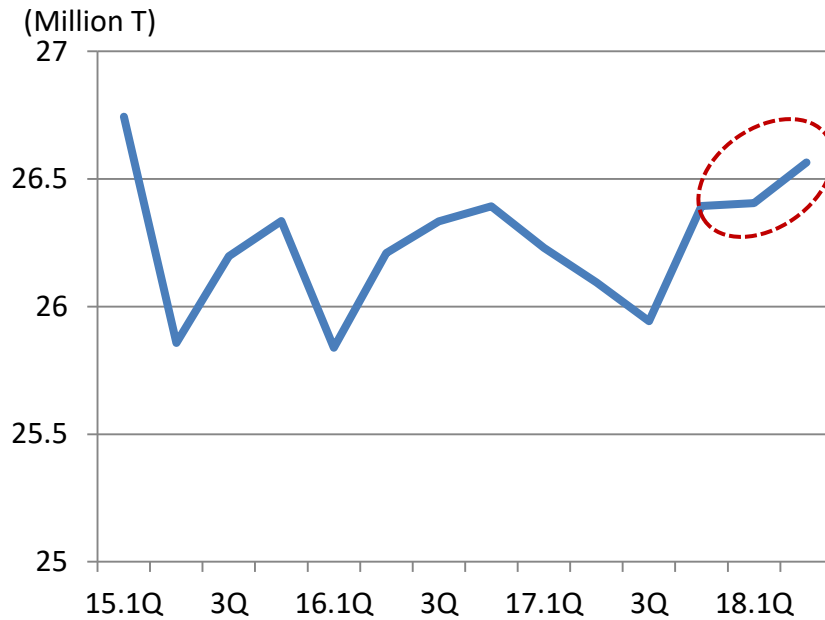
Source: JISF



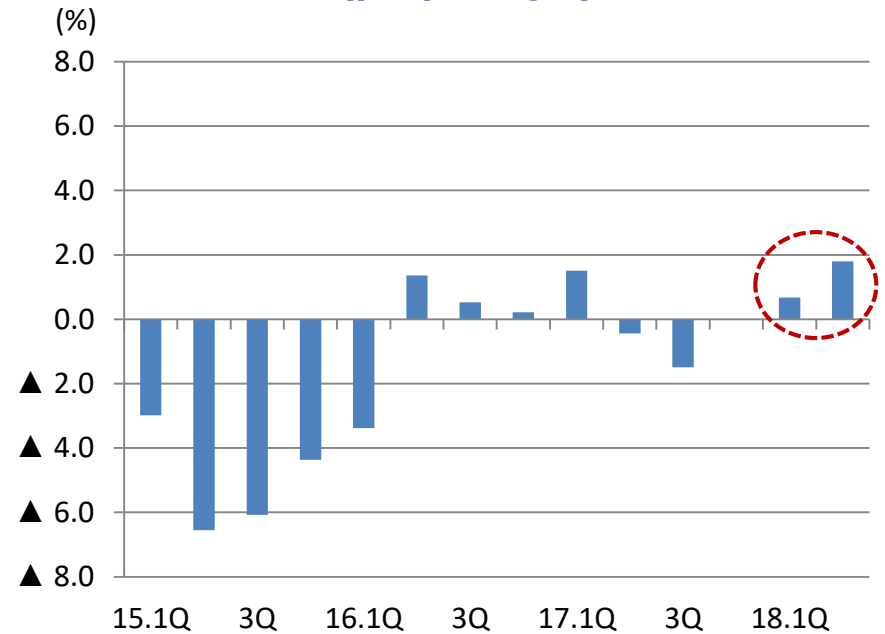
# Steel supply

- Crude steel production has been picking up along with increase of domestic steel demand.

### Crude Steel Production (Volume)



### Crude Steel Production (y-o-y changes)



Source: JISF

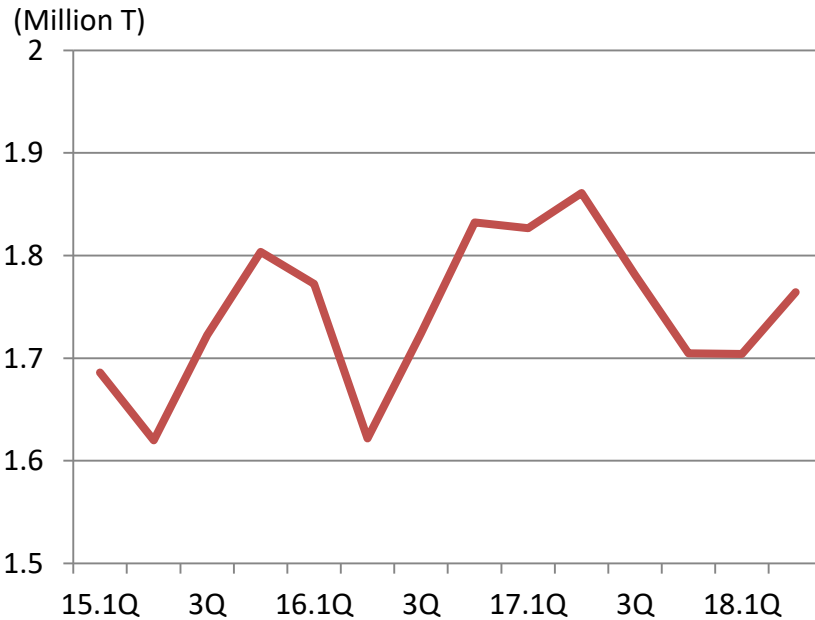
Steel demand



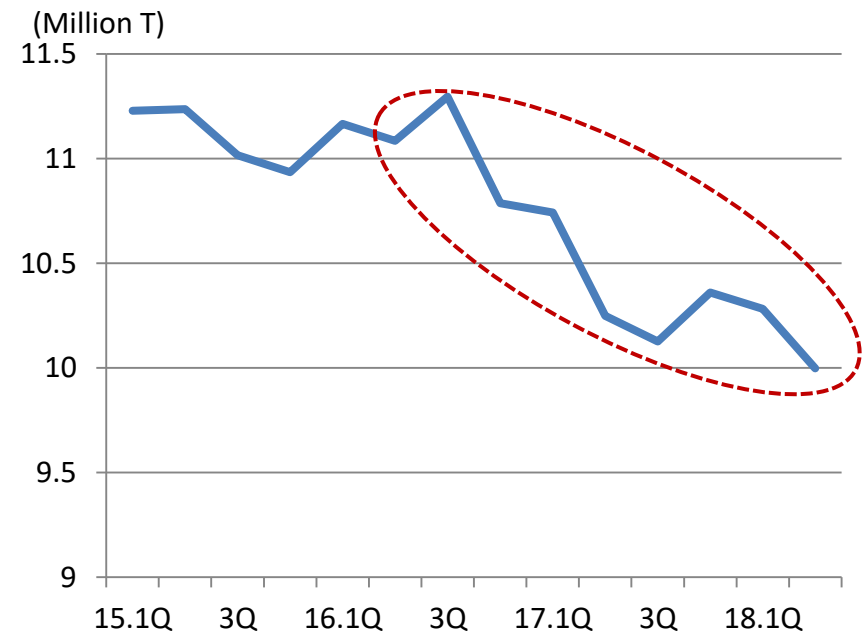
# Steel trade

- Quarterly steel import has been fluctuating in the range of 1.6-1.9 million tons.
- Steel export is decreasing.

### Steel Import (Crude Steel Equivalent) (Volume)



### Steel Export (Crude Steel Equivalent) (Volume)



Source: JISF

Steel demand



## + Factors that can support Japan's steel demand:

- Robust domestic demand
- Projects associated with urban redevelopment and the 2020 Tokyo Olympic Games/Paralympics

## - Uncertainties that can threaten the prospects for the Japanese steel market:

- The impacts of global excess capacity
- Chronic labor shortages particularly in the construction sector
- Frequent occurrence of natural hazards
- Changes in trade policies which affects global supply chain





**Thank you for your attention**