This document reproduces the slides of the presentation made by the Secretariat at the beginning of the Workshop that was held on 2-3 November 1999.

Contact: Mr. Wolfgang Hübner, Head of DoT and Steel Unit, STI; Tel. (33 1) 45 24 91 32; Fax: (33 1) 45 24 88 65; Internet: Wolfgang.Hubner@oecd.org
GLOBAL STEEL MARKET DEVELOPMENTS

OECD Workshop 2 November 1999
1999

- WORLD STEEL CONSUMPTION
  - Global Steel consumption Should decrease by 0.7 %, a reduction of some 5 million Tonnes
  - OECD : The decline is close to 5 % (-8.5 MT)
  - Asia : a decline by 3.7% or 2.5 MT
  - NIS : an increase by some 6.5 MT
  - China : continued to increase by 8.1%
  - Other areas : in total a decline by 11% or 7MT
Crude Steel Production in 1999

- World steel production may decline to 771 M T
- OECD Production is expected to decreased by 3.3% to 450 MT
- Production in China continues to increase by some 5% and should reach 120 M Tonnes
- In the NIS crude steel production picked up by close to 14%
- Marginal increases in India and the Middle-East, in the other regions production decreased.

World Crude Steel Production in 1999

- China 16%
- North America 16%
- Europe 29%
- OECD Pacific area 16%
- Latin America 4%
- Other Asia 2%
- ASEA N(S) 1%
- Other non OECD 3%
- NiSA CEEC 12%
TRADE DEVELOPMENTS IN 1999

- In terms of volume, world steel trade continues to decline by 7%
- OECD steel exports are expected to decrease by 10.5% (-11MT), and imports to decline 8% (-8 M T.)
- Steel exports from the NIS are expected to remain at the 1998 level
- Chinese steel exports may continue to decline while imports may increase by some 20%.
- Exports from other Asian countries started declining.

2000

Apparent Steel Consumption

- World steel consumption is expected to increase by some 4.3% representing 28 MT more than in 1999 and may reach 700 million tonnes (of product equivalent)
- Within the OECD, steel demand should increase in all countries and for the area it may reach 2%
- In Asia, steel consumption should pick up and increase by over 10%.
- Consumption growth expected to accelerate in the NIS.
- In China, demand should continue to increase (+4%).
CRUDE STEEL PRODUCTION IN 2000

- According to the demand, world production will increase by over 4% and would then pass the 800 million tonnes mark.

- In the OECD area, as a result of growing demand, steel production is expected to increase by 3.8% (+17MT)

- Steel production is expected to recover in Latin America, Africa and in Asia, while it may grow faster in Middle-East

- A further 4% increase in production is expected in the NIS.

- In China production should continue to grow by some 5%

TRADE DEVELOPMENTS IN 2000

- In terms of volume, world steel trade is expected to stabilize.

- OECD steel exports should also remain close to their 1999 level, while imports could drop by some 6% (-5 M T.)

- Steel exports from the NIS are expected to continue to decline slightly

- Chinese net trade is expected to remain close to its 1999 level of about 10 million tonnes

- Within the other Asian countries net imports may increase by 38% representing some 4.7 million tonnes
Average Capacity Utilisation Rate

Non Member Economies: Steelmaking Capacity
Export prices by EU mills to third countries (FOB)

Source: Metal Bulletin

US Import prices (CIF)

Source: Metal Bulletin