ASSESSMENT OF STEELMAKING RAW MATERIALS SUPPLY AND DEMAND BALANCE

DSTI/SU/SC(2014)8
76th Steel Committee Meeting
Paris, 5-6 June 2014

Agenda

• Recent steelmaking raw material price developments
  – Iron ore
  – Coking coal
  – Ferrous scrap

• Supply and demand assessment for the main steelmaking raw materials
  – Medium-term prospects for steel production
  – Iron ore supply-demand balance
  – Ferrous scrap supply and demand balance
  – Coking coal supply-demand balance
Iron ore spot prices for Chinese imports from Australia

Source: Datastream

Iron ore spot price and Asian Steel PMI

Source: Datastream, Markit
Chinese iron ore imports in million metric tonnes

Source: Datastream

Prime coking coal spot price for Chinese imports from Australia

Source: Datastream
Scrap composite price (United States)
In USD per tonne

Source: Datastream

Medium-term prospects for steel production

Source: World Steel Dynamics
World steel production: China and the rest of the world in million metric tonnes

Source: World Steel Dynamics

Direct Reduced Iron production for selected economies in mmt

Source: World Steel Dynamics
Iron ore requirement of the steel industry in million metric tonnes

Source: World Steel Dynamics

Global iron ore production and requirement In million metric tonnes

Source: World Steel Dynamics
Ferrous scrap requirement for the steel industry in million metric tonnes

Source: World Steel Dynamics

Scrap reservoir In million metric tonnes

Source: World Steel Dynamics
Scrap generation and requirement in million metric tonnes

Coking coal supply-demand balance

- Metal Bulletin Research’s Capacity Database (Q4 2013)
  - Coking coal capacity additions are expected to amount to 251 mmt between 2014 and 2017
  - Expected situation of excess supply in the international coking coal market in the coming years.
  - According to BREE (2014), world coking coal trade is expected to increase by 2.2% in 2014 and by 1.3% per year between 2015 and 2019, to reach 343 million tonnes in 2019.
Thank you for your attention