

# Steel Demand Outlook 2021- 22

OECD Steel Committee Meeting

March 29, 2022

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- No discussions on current or future production output or current or future capacity or capacity utilisation involving non-public information, or desired capacity or production output or capacity utilisation levels, or coordinated capacity, capacity utilisation or production output increases or decreases
- No discussions on allocating geographical or product markets or customers or classes of customers
- No discussions on concerted actions involving costs (including concerted actions against suppliers)
- No discussions on future raw material prices, price terms or negotiating strategies
- No discussions regarding how to respond to price increases or other charges from suppliers or whether or how to pass on any costs to customers
- No discussion on contemplated trade actions or complaints about trade flows
- No discussion on non-public company-specific forward looking commercial strategies or plans

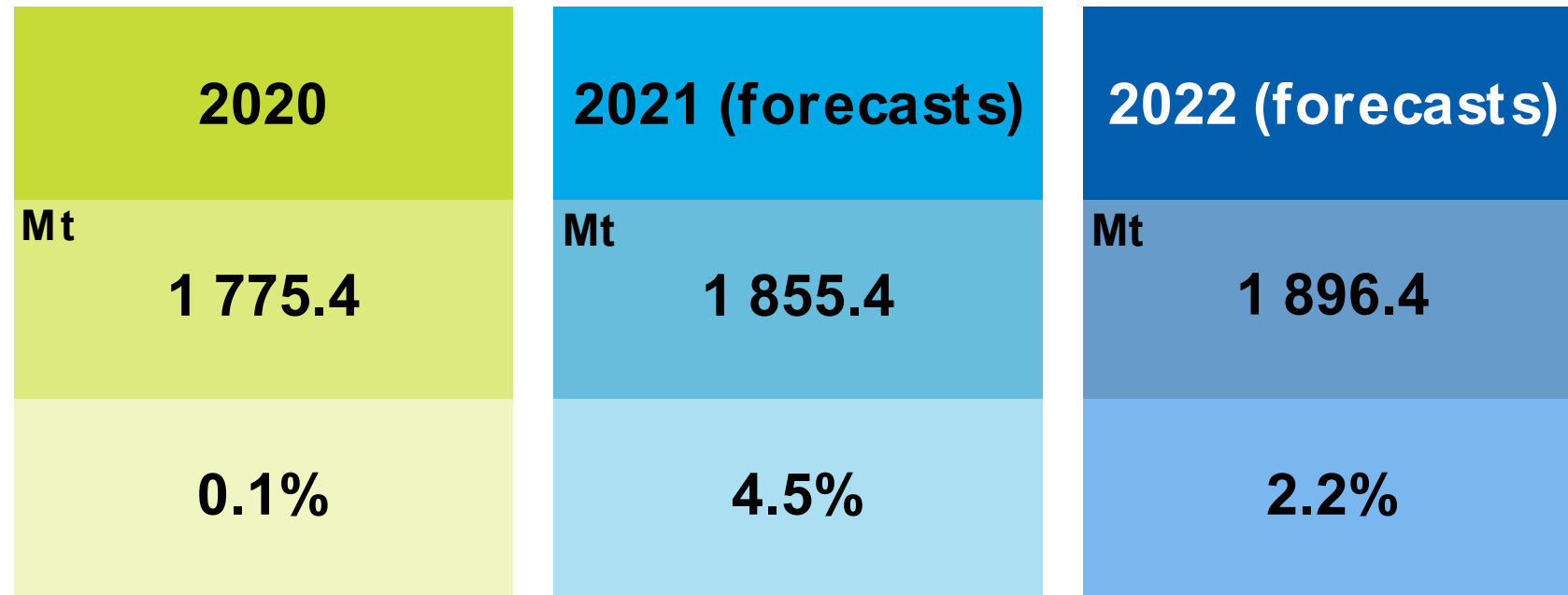
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# Key observations

- Despite the omicron waves and supply side issues, recovery from the pandemic shock continued in 2021
  - Recovery in 2021 was stronger than expected in our October 2021 SRO in EU, NAFTA and LA
  - However, China's deceleration was stronger than expected
  - Global growth revised down for 2021
- Before the outbreak of the war in Ukraine, supply side problems were expected to recede, and a stable recovery path had been projected for 2022 and 2023 amid rising concern about inflation
- The situation in Ukraine has multiple channels of impact, leading to downward revisions for most regions, with regional disparity though
  - Countries with higher direct economic and trade linkages with Russia and Ukraine will see more impact
  - The spillover impact will be felt globally through high inflation, uncertainty and financial market instability and supply chain disruptions and raw materials availability
  - China's steel demand will stabilize at low growth
- Forecasts for 2022 and 2023 are subject to certain scenarios and carry downside risks
  - The full impact of the current geopolitical situation is yet to be identified in accordance with further development of the situation in Ukraine and possible adjustments in trade flows
  - Further pressure on inflation and interest rates, supply side disruptions, continued surge in virus infections, tightening of the US monetary policy

# Global overview

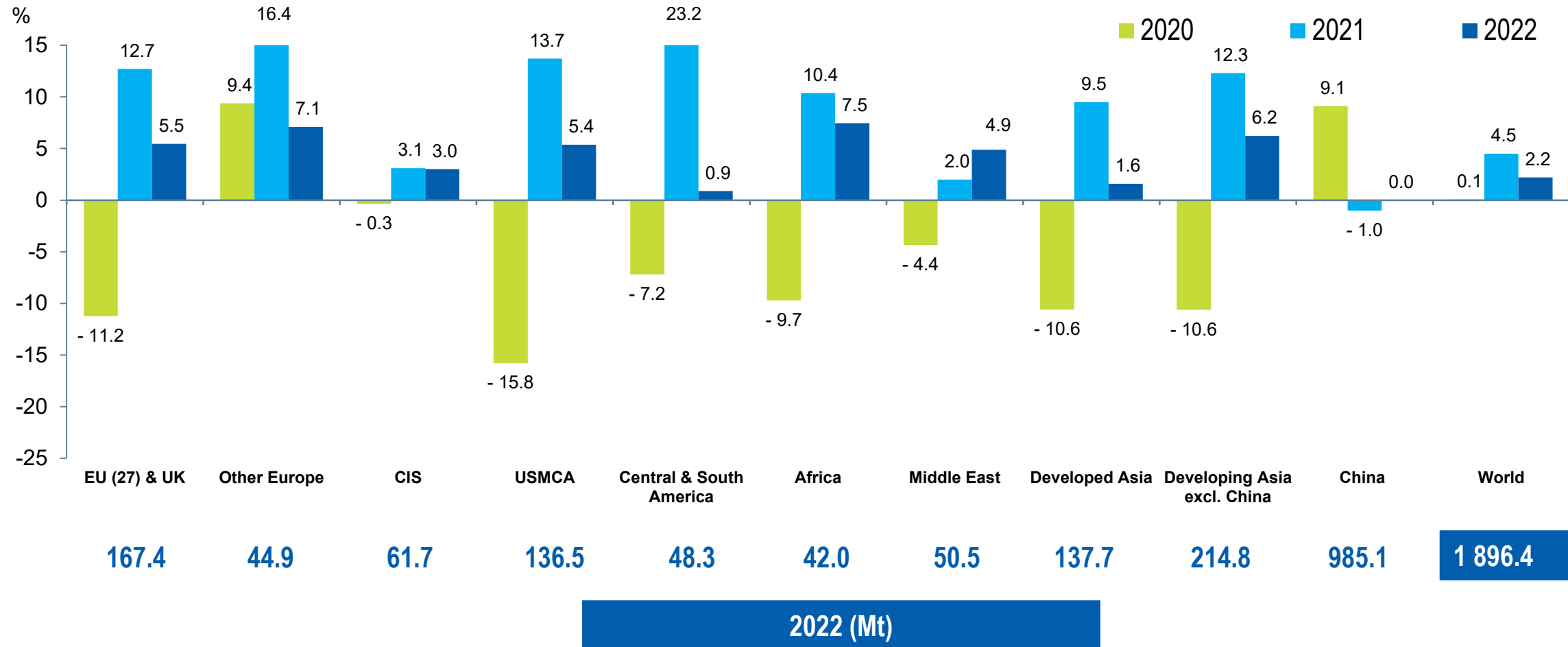
Steel demand, finished steel (SRO October 2021)



Mt = Million tonnes

# Regional overview

## Steel demand, finished steel (SRO October 2021)



# China

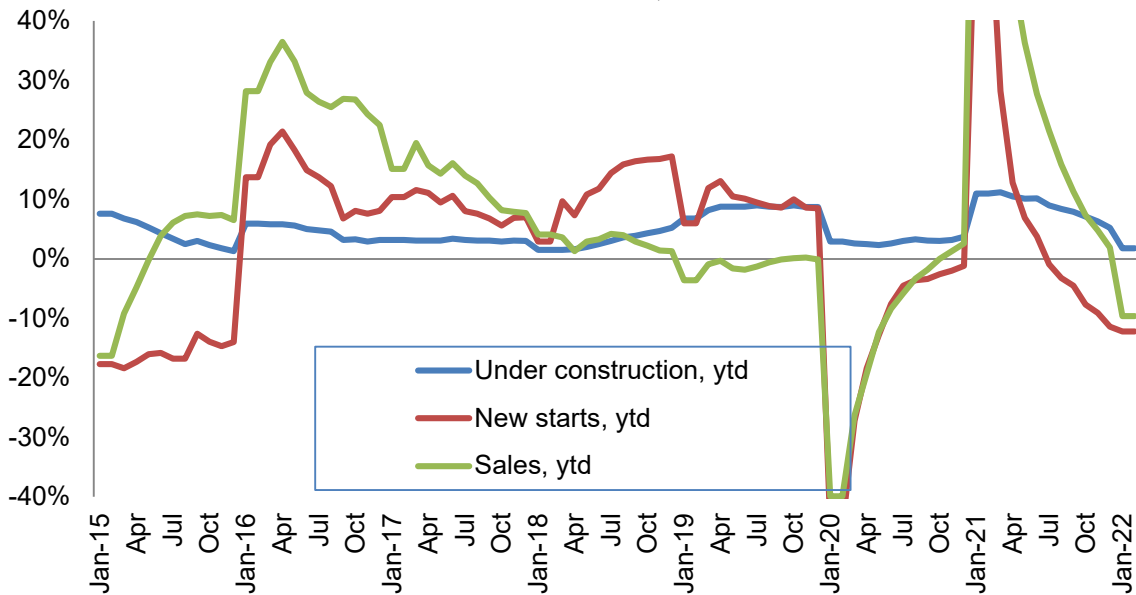
## Steel demand, finished steel (SRO October 2021)

Mt

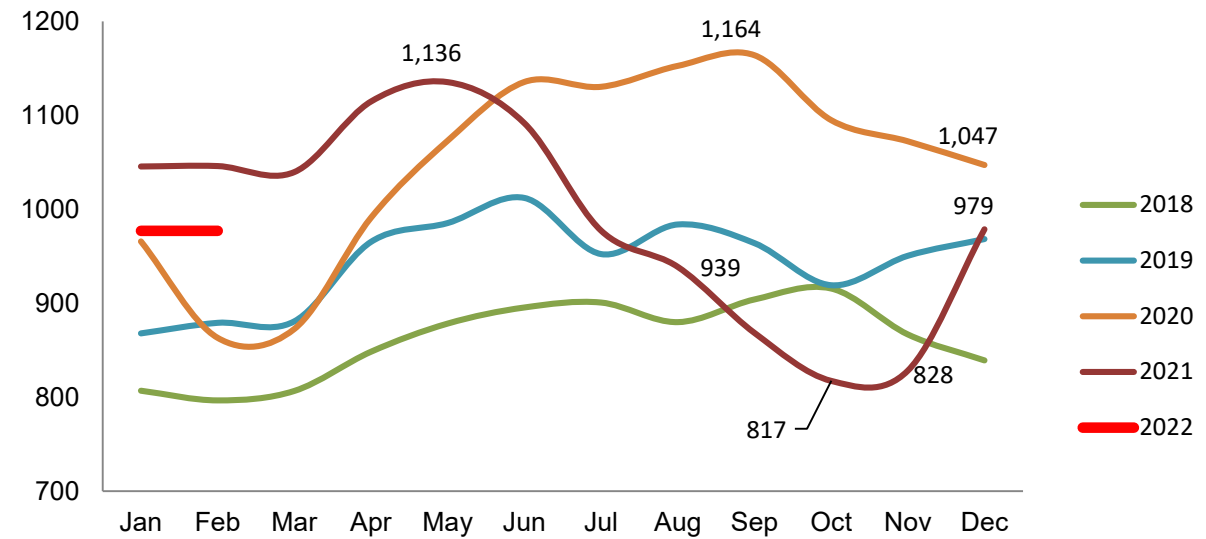
%

	2020	2021	2022	20/19	21/20	22/21	2022 as % of 2007
World	1 775.4	1 855.4	1 896.4	0.1	4.5	2.2	156.6
China	995.0	985.1	985.1	9.1	-1.0	0.0	235.4

Real estate: under construction, New Starts and Sales



Annualised Crude Steel Use



# Developed vs Developing economies

Steel demand, finished steel (SRO October 2021)

	Mt			%			2022 as % of 2007
	2020	2021	2022	20/19	21/20	22/21	
<b>World</b>	<b>1 775.4</b>	<b>1 855.4</b>	<b>1 896.4</b>	<b>0.1</b>	<b>4.5</b>	<b>2.2</b>	<b>156.6</b>
Developed Economies	343.2	385.0	401.7	-12.7	12.2	4.3	84.8
Emerging & Developing ex China	437.1	485.3	509.6	-6.8	11.0	5.0	159.8



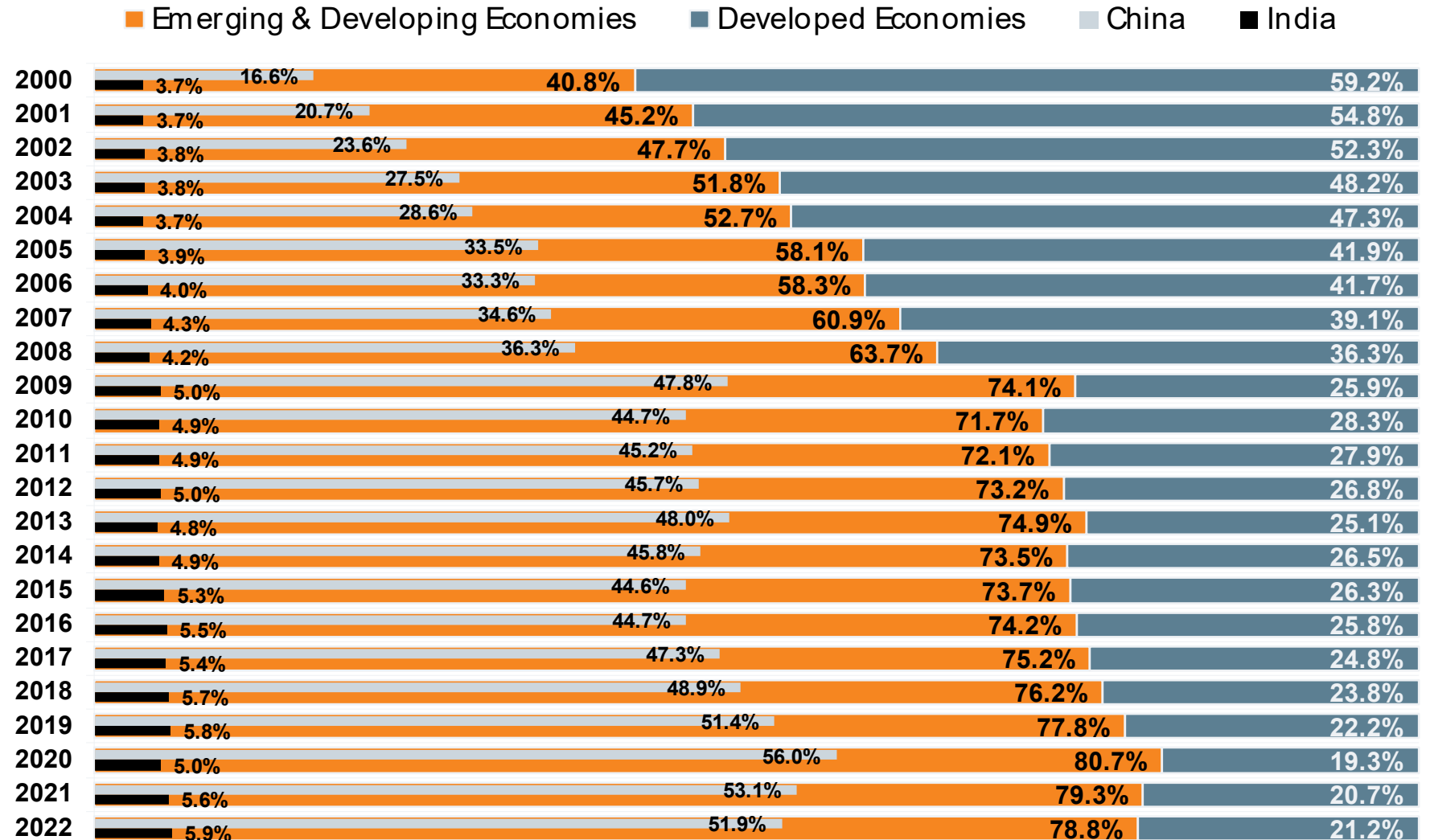
# Expected Revisions

(SRO October vs April 2022)

	Mt		%		Mt Δ		growth rate Δ		accel.
	2021	2022	2021	2022	2021	2022	2021	2022	23/22
	SRO October 2021				SRO April 2022				
<b>World</b>	<b>1 855.4</b>	<b>1 896.4</b>	<b>4.5</b>	<b>2.2</b>	↓	↓	↓	↓	↗
EU (27) + UK	158.7	167.4	12.7	5.5	↕	↓	↕	↓	↗
Other Europe	41.9	44.9	16.4	7.1	↓	↓	↓	↓	↘
CIS	59.9	61.7	3.1	3.0	↓	↓	↓	↓	↗
USMCA	129.6	136.5	13.7	5.4	↕	↕	↕	↓	↘
C&S America	47.9	48.3	23.2	0.9	↕	↕	↕	↓	↗
Africa	39.1	42.0	10.4	7.5	↓	↓	↓	↓	↘
Middle East	48.1	50.5	2.0	4.9	↕	↓	↕	↓	↘
Asia & Oceania	1 330.2	1 345.1	1.9	1.1	↓	↓	↓	—	↗
China	985.1	985.1	-1.0	0.0	↓	↓	↓	—	↗
Developing Asia excl. China	202.2	214.8	12.3	6.2	↓	↓	↓	↕	↘
Developed Asia	135.5	137.7	9.5	1.6	↕	↕	↕	↓	↘

# Evolution of regional shares in steel demand

Steel demand, finished steel (SRO October 2021)



# Presenter



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# worldsteel

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