



Recent Market Development in the Japanese Steel Industry

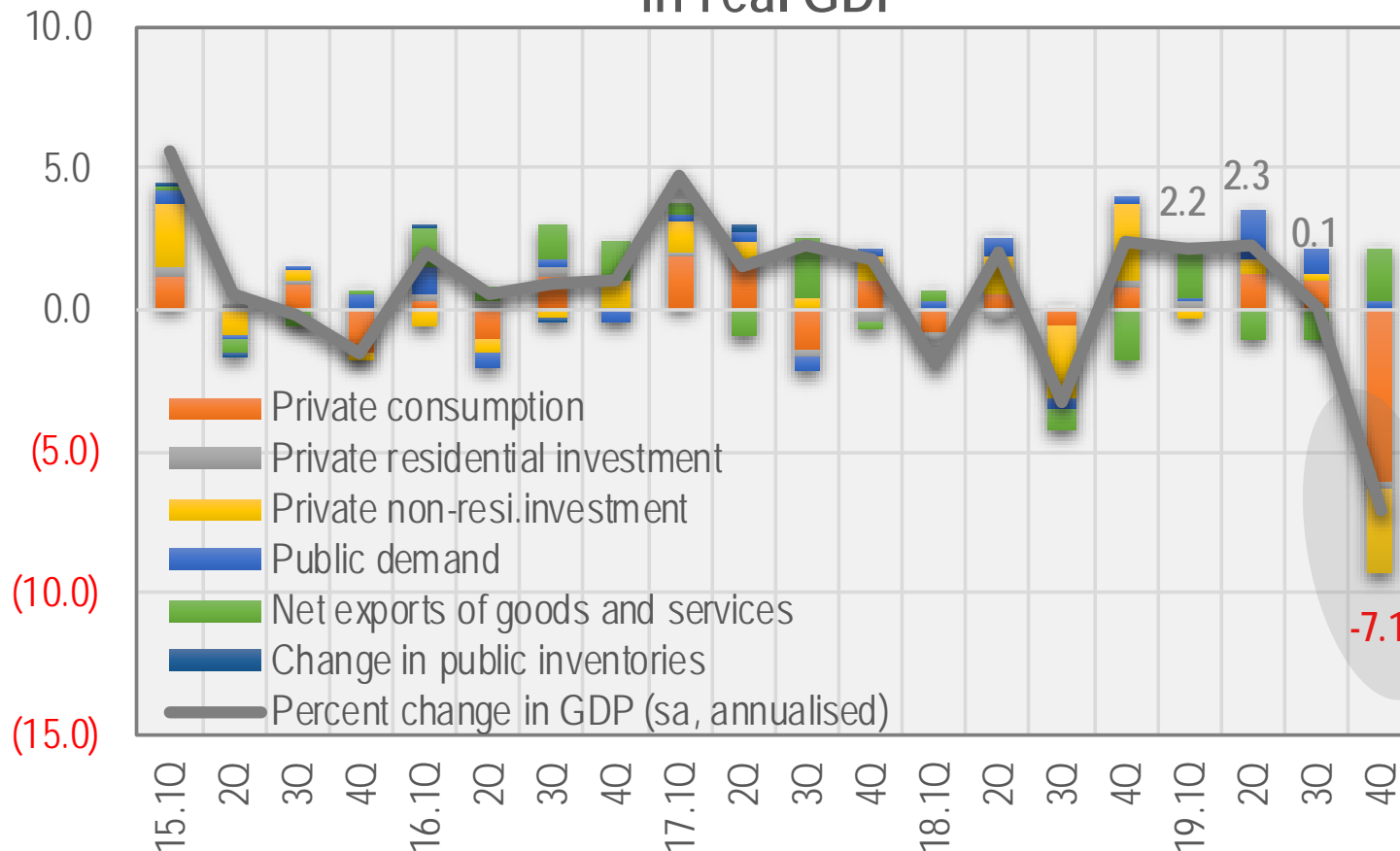
The Japan Iron and Steel Federation (JISF)

88th Session of the OECD Steel Committee, Paris 19-20 March 2020



Various factors (e.g. sales-tax hike and typhoon) have impacted on Japan's whole economy

Contributions to quarter-to-quarter percent change in real GDP

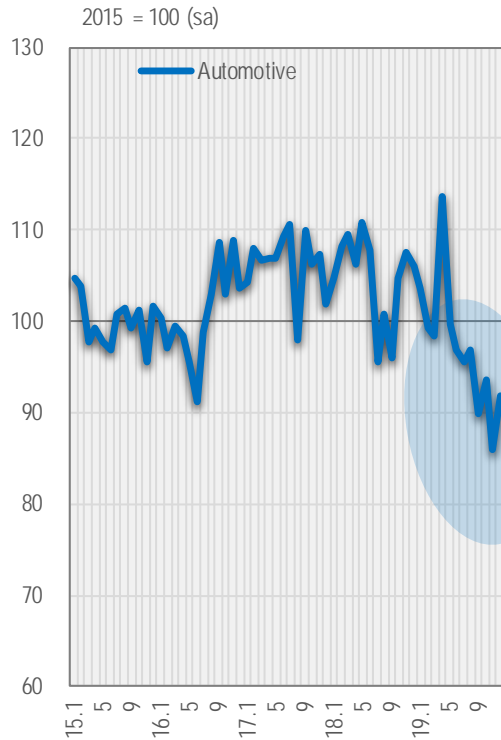


Source: Cabinet Office

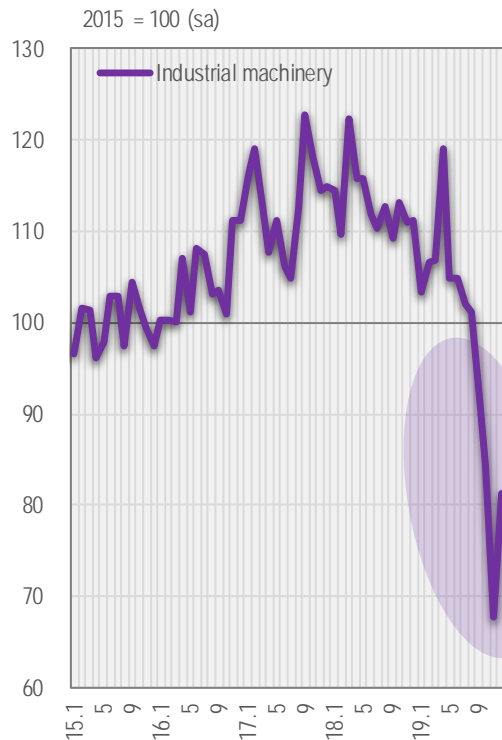


Both domestic and external demand in Japan has decreased

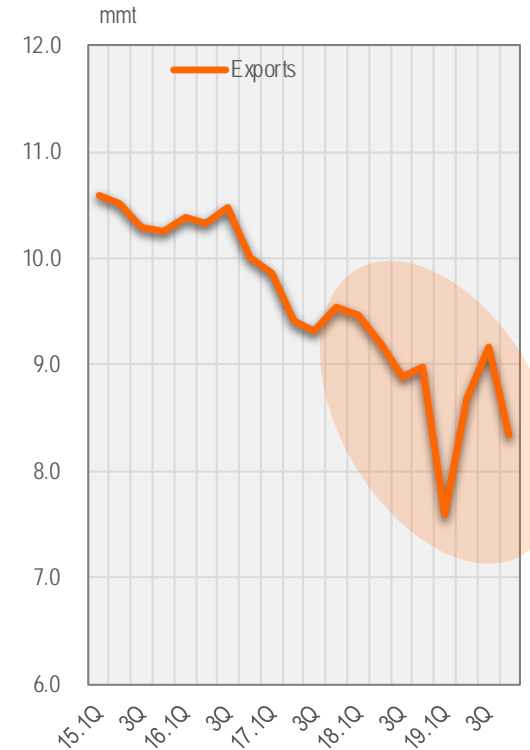
Indices of ordinary steel orders Automotive



Indices of ordinary steel orders Industrial machinery



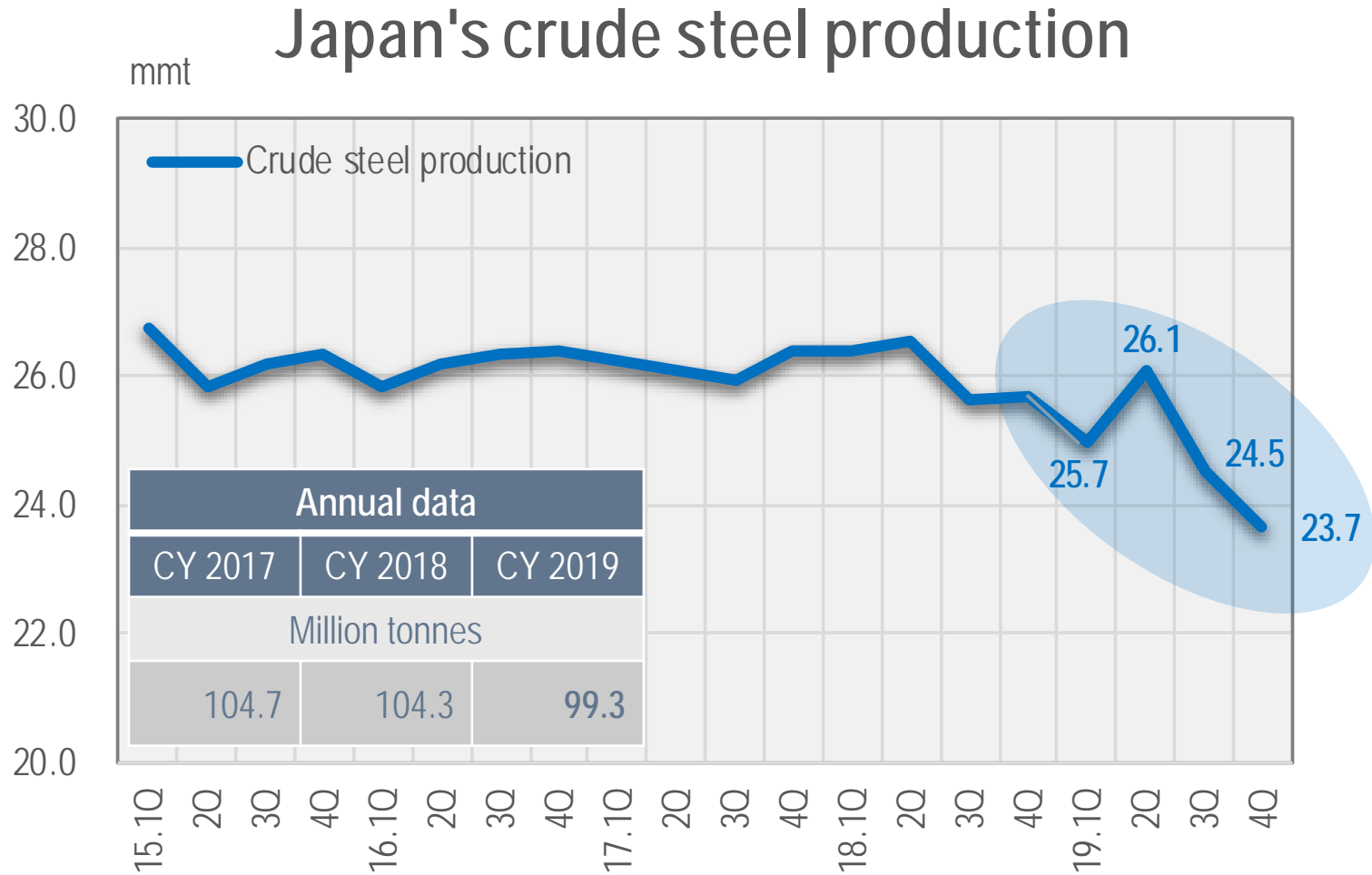
Iron and steel exports



Source: JISF and the Ministry of Finance



Japan's crude steel output has **continued to decline**

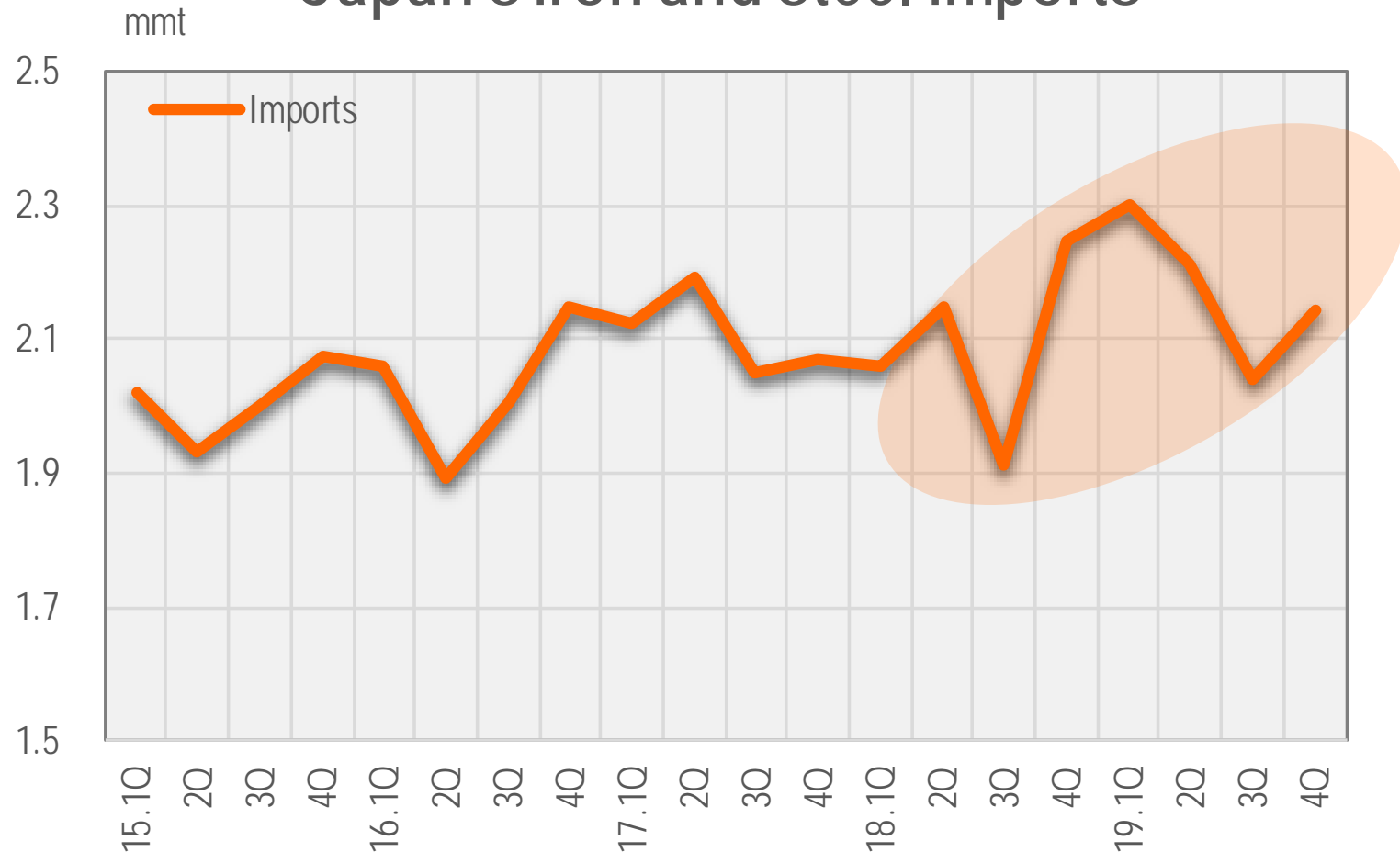


Source: The Ministry of Economy, Trade and Industry



The level of Japan's iron and steel imports have **remained high**

Japan's iron and steel imports

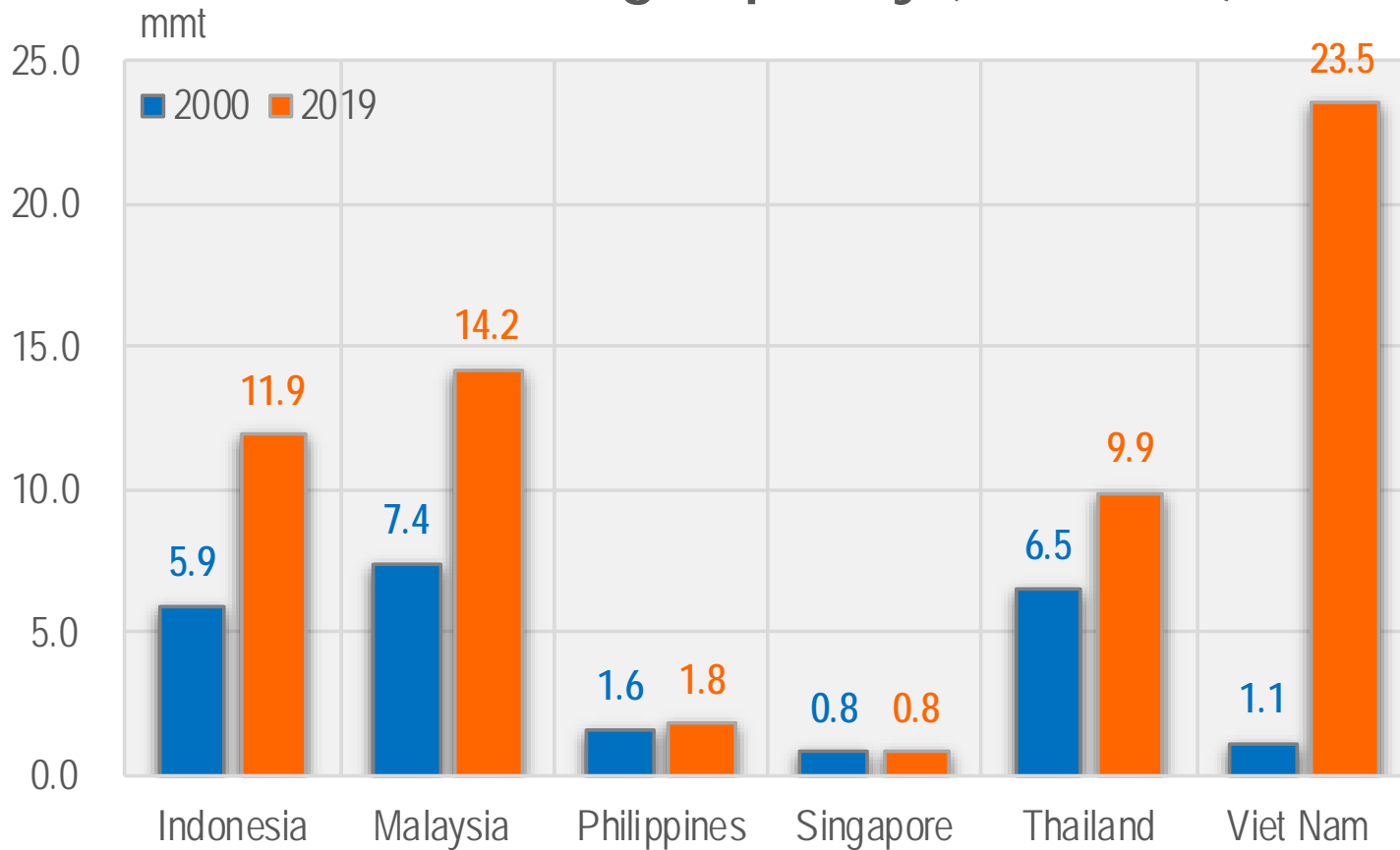


Source: JISF calculation based on data from the Ministry of Finance



Significant investment has altered the structure of capacity in ASEAN region

Steelmaking capacity (ASEAN-6)



Source: OECD



We believe:

- An accurate steel demand forecast is vital in order to **avoid over-investment**.
- An over-optimistic demand forecast can **increase the future risk of over-supply**.



Thank you for your attention