Long term steel demand trends
Berlin - GFSEC 21 February 2017
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Steel Industry passed an important demand inflection

Evolution of steel demand, 1950-2017

- CAGR 1950-1975: +5.0%
- CAGR 1976-2000: +1.1%
- CAGR 2001-2007: +6.7%
- CAGR 2008-2013: +3.7%
- CAGR 2014-2017: -0.3%

Source: worldsteel, steel demand crude steel equivalent
Steel intensity show the impact of product improvement

Source: worldsteel,
A variety of trends will continue to influence steel demand

- Continued urbanisation, but with aging populations and new environmental requirements
- Growing income inequality will dampen long term economic growth
- Premature de-industrialization may reduce importance of industry as source of economic growth and employment creation
- Digitalisation will influence the industry value chain, leading to more efficient production and use of steel
- Resource efficiency and circular economy principles growing in importance
Circular economy concept will have impact on steel demand via multiple channels

- **Reduce**
  - Lower steel intensity
  - Longer life of steel containing goods
  - Reduced demand for steel containing goods
  - Less scrap

- **Reuse**

- **Remanufacture**

- **Recycle**
  - Increase scrap supply

- **New applications to enable the circular economy**
Global steel demand growth estimation

<table>
<thead>
<tr>
<th>Estimated global steel demand (Finished eq)</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated global steel demand (Crude steel eq)</td>
<td>1621</td>
<td>1730</td>
<td>1835</td>
<td>2010</td>
</tr>
</tbody>
</table>

- Steel remains an important material to support future sustainable societies
- Future steel demand growth expected to be slower
- Technology trends will require and focus on product improvement and design for resource efficiency

*Source: worldsteel internal estimates*
Short term growth will continue
Global Overview
Steel demand, finished steel (SRO October 2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Steel Demand (million tonnes)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,498.7</td>
<td>-3.0%</td>
</tr>
<tr>
<td>2016 (forecasts)</td>
<td>1,501.3</td>
<td>0.2%</td>
</tr>
<tr>
<td>2017 (forecasts)</td>
<td>1,509.6</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

*Source: worldsteel*
Thank you for your attention.

Edwin Basson| Director General
World Steel Association